UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

9/18/62

Office: Las Vegas

Field Office File No.: 92-461

Bureau File No.: 92-3068

Title:

MORRIS BARNEY DALITZ

Character:

ANTI-RACKETEERING

Synopsis: DALITZ and associates are taking an active part in local political activities and are supporting candidates friendly to the Desert Inn Hotel and the gambling industry. Subject and several others participated in golf tournament in Monterey, California, in early August, 1962. Sale of Stardust Hotel to United Hotels, Incorporated, which is corporation headed by DALITZ, reported in local press but no sale finalized to date. Subject has done considerable traveling during recent weeks and on 9/4/62, departed for Europe, where he anticipated remaining for approximately ten days.

SUBJECT SHOULD BE CONSIDERED AND DANGEROUS.



- P -

DETAILS:

ACTIVITIES

67C

advised on various dates in August and early September, 1962, that DALITZ and his associates at the Desert Inn Hotel, Las Vegas, Nevada, were extremely active and interested in political activities in the State of Nevada. They made sizeable cash contributions to practically all of the principal candidates running for election on both major party tickets.

DALITZ and the Desert

Inn Hotel, were in frequent contact with many of these candidates and they discussed together how best to run their various campaigns.

DALITZ was also in regular contact with

candidates who were also roling

supported by DALITZ. There were a few candidates opposed by the Desert Inn group, including HERMAN MILTON GREENSPUN, candidate for Governor on the Republican ticket. GREENSPUN is editor and publisher of the Las Vegas Sun and has repeatedly attacked DALITZ in the press and accepted no assistance from him to finance his campaign.

He also opposed AL CAHLAN, former editor of the Review Journal, and JAMES G. AYAN. State Assemblyman. Both CAHLAN and RYAN were candidates for County Commissioner for Clark County, Nevada. These two individuals accepted no financial assistance from the Desert Inn group and indicated they would not be influenced by DALITZ and his associates.

Another candidate fully supported by DALITZ and others associated with the gambling industry was JAMES BILBRAY, at County Assessor.

The primary election was held in the State of Nevada on September 4, 1962, and while GREENSPUN and CAHLAN were both defeated, RYAN was successful in defeating NORMAN WHITE. who

was supported by gambling interests.

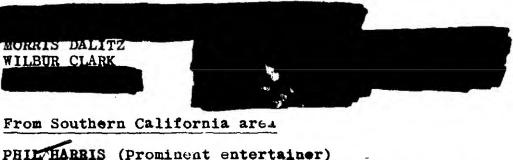
that subject traveled to Pebble Beach, California, where he participated in an amateur invitational golf tournament.

concerning the visit or the subject and of he decistes to the Monterey area during the early page of August, 1962.

The entire party left on August 8, 1962. The purpose of the visit appeared to to be purely a "golf social and vacation". She identified the members of the group as follows:

From the Desert Inn, Las Veges, Nevada

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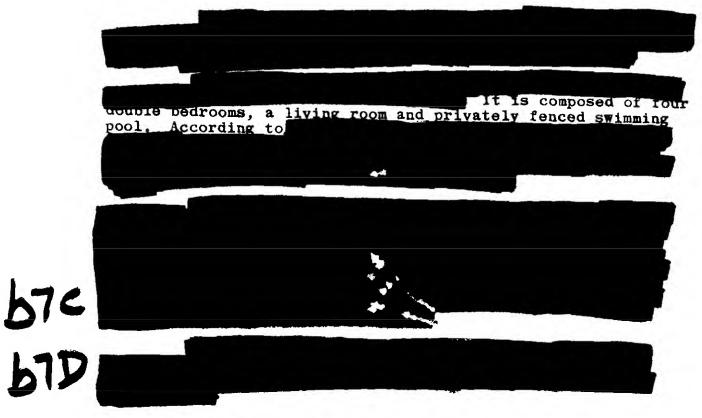


PHIL HARRIS (Prominent entertainer)
HARRY (Prominent entertainer)

From Northern California area

From Denver, Colorado

From Phoenix, Arizona



Two prominent local residents of the Pebble Beach area were observed to play golf at different times with the group. They are

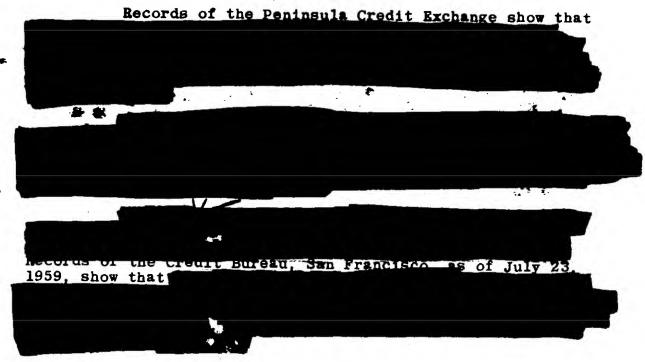
Pepole Beach.

The group from Las Vegas brought three chauffeurs d baggage, administered rubdowns and generally

On both of the recent trips to

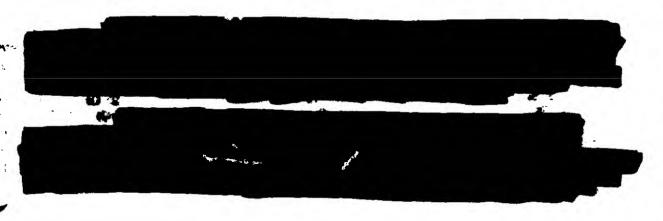
who handled baggage, administered rubdowns and generally acted as flunkies. They were not identified.

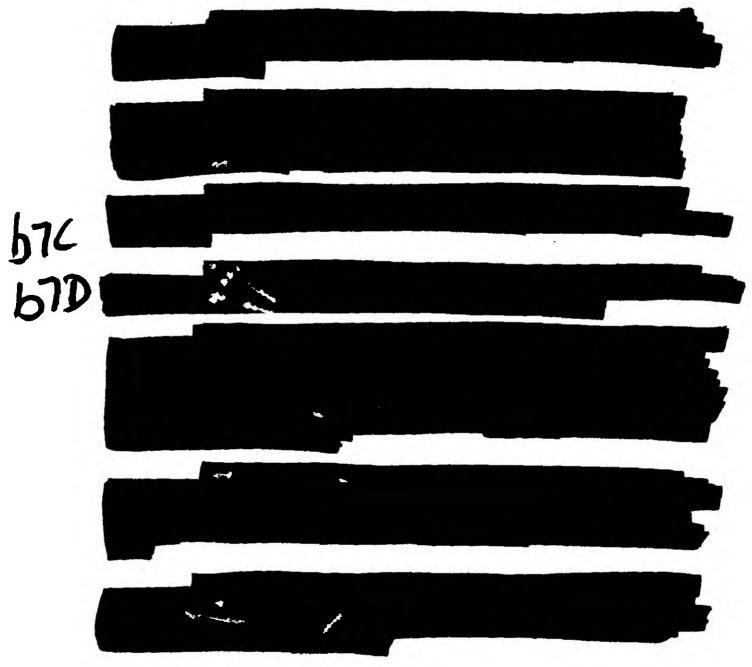
All of the above individuals identified as being from the Desert Inn Hotel, Las Vegas, Nevada, Fre owners and executives at the Desert Inn with the exception of the are business associates of subject.



Credit Bur lu records also contain a note concerning dated July 26, 1857, which states San Francisco Police inquiry stated is applying for a gambling license in Las Vegas and It is believed will be granted the license.

No record of arrest of at San Francisco Police Department, Bureau of Identification as of July 23, 1959, and no record of arrest of Police Department or San Mateo County Sheriff's Office, California.





LEGITIMATE BUSINESS

An article appeared in the Las Vegas Sun newspaper on August 30, 1962, which reflected that the Stardust Hotel in Las Vegas had been sold to United Hotel Corporation for \$14,000,000 as announced by JOHN FACTOR, Stardust Board Chairman. FACTOR and

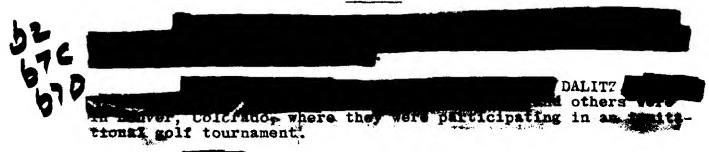
his wife, RELLA, are the principal stockholders in Stardust Incorporated, which has leased the physical property of the Stardust Hotel to a group headed by MORRIS BARNEY DALITZ.

United Hotel Corporation was formed in 1956 as a result of a merger of WILBUR CLARK's Desert Inn and the Capri Hotel Corporation. United Hotel Corporation then leased the Desert Inn physical property to the Desert Inn Operating group. In May, 1959, a new company called United Resort Hotels, Inc. was formed, which offered the outstanding United Hotel Corporation stock on an installment plan. Total purchase price was approximately \$11,000,000 for which the corporation issued promissory notes to the individual stockholders of United Hotels Corporation.



advised on August 31, 1962, that the release to he press regarding the sale of the Stardust Hotel was premature and actually while some negotiations had taken place, the sale had not been finalized. Informant learned, however, were possibly that DALITZ. interested in purchasing the Stardust property if the proper financial arrangements could be worked out. It was noted by that the Stardust Incorporated is presently receiving \$135,000.00 per month as rental from the Desert Inn group. DALITZ and feel that if they purchase the property they would be able to maneuver the financing in such a way that over the space of a couple of years they could possibly profit in the amount of two to three million dollars. DALITZ has indicated he is interested in negotiating further with JOHN FACTOR and will enter into further discussion regarding the possible purchase of the Stardust Hotel.

TRAVEL



676

advised on August 31, 1962, that DALITZ was planning a trip to London, England, and other parts of Europe and expected to be gone for approximately ten days. It was informant's opinion that the trip to London by DALITZ was primarily to contact

LV 92-461

62 670 670 having a yacht constructed in Norway, which yacht is to be completed in October, 1962. DALITZ also anticipated meeting there with a who has been employed by DALITZ to

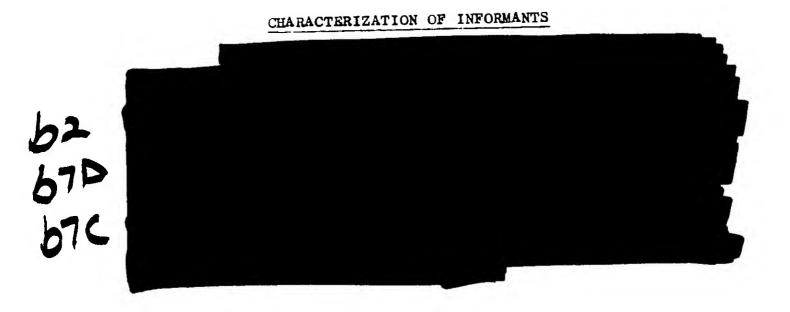
advised on September 14, 1962, that DALITZ was scheduled to depart for London from New York City on September 6, 1962.

date DALITZ was in Paris, France.

that on this

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_	Page(s) withheld entirely at this statements, where indicated, ex	location in plain this de	the file. One letion.	or more of the following		
	Deletions were made pursuant to the exemptions indicated below with no segregable material available for release to you.					
	Section 552	Section 552a				
	□ (b)(1)		(b)(7)(A)	☐ (d)(5)		
	□ (b)(2)		(b)(7)(B)	☐ (j)(2)		
	□ (b)(3)	囟	(b)(7)(C)	\square (k)(1)		
i	<u> </u>	🕱	(b)(7)(D)	☐ (k)(2)		
		□	(b)(7)(E)	\square (k)(3)		
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	☐ (b)(4)		(b)(8)	☐ (k)(5)		
	☐ (b)(5)		(b)(9)	☐ (k)(6)		
	☐ (b)(6)			☐ (k)(7)		
□	Information pertained only to a third party. Your name is listed in the title only. Documents originated with another Government agency(ies). These documents were refer to that agency(ies) for review and direct response to you. Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).			es). These documents were referred ent agency(ies). You will be		
	Page(s) withheld for the follow	ing reason(s):			
	For your information:					
ΣŽ	The following number is to be HQ 92 - 3068 - 32		ference regard	ing these pages:		
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UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada September 18, 1962

Title

MORRIS BARNEY DALITZ, aka

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Character

ANTI-RACKETEERING

Reference Report of SA dated September 18, 1962, at Las Vegas.

All sources (except any listed below) used in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is louned to your agency; it and its contents are not to be distributed outside your agency.

CPROMAL FL M NO. 10 UNITED STATES GOVET "MENT Memorandum Evens Malone Mr. DeLoadh Sullivan DATE: 9-14-62 Tavel _ Trofter. Tein. Room M. A. Jones SUBJECT: Motre BACKGROUND: At 1:16 p. m. today called for the Director. ector's absence from the city was explained and he was offered an assistant. He declined and indicated he would call back next week. Set forth below is a brief resume (information in Bufiles regarding BIOGRAPHICAL DATA: 1 - Mr. DeLoach 1 - Miss Holmes 58 001 2 1962

Jones to DeLoach Memo
RE:
INFORMATION IN BUFILES RE

INFORMATION IN BUFILES RE

57c

According to the current edition of "Editor and Publisher,

INFORMATION RE HERMAN M. GREENSPUN:

Greenspun, editor and publisher of the Las Vegas Sun, is one of the most controversial figures in Nevada

investigations in 1950 which concerned the illegal shipment of arms to Israel. He was acquitted on one charge but pleaded guilty to another and was given a fine of \$10,000. He was granted a full pardon by President Kennedy on 10-18-61; however, the Director observed, "This rascal should never get a full pardon."

- 2 -

Jones to DeLoach Memo RE:

JC as and he

Greenspun has written many articles critical of public officials and in 1952-53 in a series of articles blasting former Senator Joseph McCarthy, he criticized the Director alleging that the Director had entered the "political arena" and even went so far as to question his loyalty. He was the subject of an FBI Bribery investigation in 1952 and a Perjury case in 1957, but prosecution was declined by the Department. In 1954, he was tried and acquitted of postal charges of sending indecent matter through the mails More recently, he campaigned for the Nevada Republican gubernatorial nomination but was defeated in the primary on 9-4-62 by a vote of more than two to one.

RECOMMENDATION:

For the Director's information should

call back next week.

- 3 -

FBI

Date: 9/19/62

Transmit the following in PLAIN TEXT

(Type in plain text or code)

AIRTEL

AIR MAIL

(Priority or Method of Mailing)

TO

DIRECTOR, FBI (92-3068)

FROM

SAC, LAS VEGAS (92-461) (Sub 1)

SUBJECT:

MORRIS BARNEY DALITZ, aka

AR

OO: LAS VEGAS

Re Las Vegas airtel to Bureau dated 9/11/62.

WEEKLY SUMMARY

furnished no pertinent information on 9/9, 10, 11, 12, 13, 14, 15, or 16/62. It is noted that during this period subject was not in the city. According to this source

DALITZ SHOULD BE CONSIDERED ARLED AND DANGEROUS.

Information from . if utilized, should be carefully paraphrased in order to further protect the identity of this source. This information is not to be disseminated without Bureau authority.

3-Bureau (R.M.) 2-Las Vegas

(1 - 92-461 Sub 1)

(1 - 92 - 461)

ON

RBT: 156

10 1M

92-3068-328

TO SEP 21 1962

0018 3 SEP 27 1962

Approved: Special Agent in Charge

Per ____

10

52

OFTIONAL FORM NO. 16

UNITED STATES GOV_RNMENT

Memorandum

TO : DIRECTOR, FBI (92-3066)

DATE: September 20, 1962

DATE: September 20, 1962

FROM : Sat,

#\$, BALTIMORE (92-346) (RUC)

SUBJECT:

MORRIS BARNEY DALITZ, aka

AR

(00: LAS VEGAS)

5T-115

REC. BA

Re Las Vegas airtel to Bureau, 8/31/62

No information has been received by Baltimore which would show there is any association between

62 61c

The following information has been received from which is believed to refer to the contemplated purchase of a gambling casino in Las Vegas, Nevada by possibly other individuals.

On 7/9/62 the informant learned that gambles and slot machine operators regarding going to Las Vegas.

wanted to know would be in Las Vegas so that ne, could meet him there and show him the place he is attempting to buy. Indicated the price for the place would be \$700,000 without the bank roll. apparently thought could get the place for \$550,000; and in New York, and if he could get the place for that price, to go ahead and buy it for him.

On 7/10/62 the informant learned that contacted regarding going to Las Vegas to see the "joint" and a frient of are the individuals trying to purchase the place. He said they all plan to meet in Las Vegas and that he is actually holding up the meeting until can get to Las Vegas to give his opinion of the place.

On 7/31/62 informant learned that telephonically contacted and made arrangements in Atlantic Contacted in Atla

2 - Bureau 2 - Las Vegas (92-461) 2 - Baltimore (1 - 92-249) GN: edb

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SEP 24 190-



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on 8/1/62 and telephonically contacted and told him that he felt things had come to a standard as far as the Las Vegas deal was concerned. It told that a friend of his, who is in the machine business, had been in Las Vegas and taken a look at the place, and frankly, this friend didn't think too highly of the place. Commented that this opinion didn't effect his thinking about the place. He stated that is "fat" and was comparing the place with the bigger and more extravagant places in Las Vegas. It also indicated to that had investigated the price with some friends in Las Vegas, and the price seemed to be in the proper range. Lalso told that he and would be in Atlantic tity next week, and suggested that the deal over and make a "final" offer and eitner get the place or not.

On 9/5/62 the informant learned that telephonically contacted and during the conversation stated,

It is not known if this last statement refers to the pending Las Vegas deal; however, it is felt that inasmuch as is maintaining contact with that this deal is still under consideration. In the event further information is obtained regarding this deal Las Vegas will be immediately advised.

DUE TO THE SOURCE FROM WHICH OBTAINED, EXTREME CARE SHOULD BE USED IN DISSEMINATING THIS INFORMATION SO AS TO PROTECT THE SOURCE.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

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	UNITED S	TATES GOVER	ENT		- w*		Belmont Mohr Callahan	
	Men	ıorandun	2.		· •		Conrad Del_oach	
	212077					•	Malone	
	то :	Mr. De Loach		DATE:	9-17-62		Sullivan Tavel Trotter Tele. Room	
,	FROM :	M. Jones			1 th		Holmes	
	SUBJECT:							
							ata —	
		My memo to y	ou of 9-14-62 poir	ated out t	nat at 1:16 b.	m. that a	ate,	
			r. The Director's					
			He declined and i					
bri	ef resume	of information	n Bufiles concern etely unrelated pr	ing	was se	t iorth. Li	n the course	!
			ndum had been pr				oted addition	
al i	nformation	n in an airtel fr	om SAC, Las Veg	as, dated	8-6-62 on th			
Bar	ney Dalitz	The information	ion was not indexe	ed to		_		-
-		Assording to t	hia aimtal inform	otion was	received from	om an info	rmant that	
		Pecoraing to	his airtel, inform	ation was	received in	om an mo	Thrank that	
		-						
		Species .	The informant de					İ
anu	Dantz. I	t is noted that I	alitz is a Top Hoo	odlum for	merly of Cle	veland, O	hio, who	
		the Desert Inn	Hotel. In the cour	rse of col	nversation,	of the In	advised	
	itz that race.	needed so	me help and there	talked to	a discussion	i oi the inc r day and	nviduais in Dalitz ~	
		Lording get to	see him. Out I kno	w he need	ds help. We	think he's	a verv 😁	ł
	e guy."	told D	alitz, "He's a hel	l of a guy	. He's a ver	ry determi	ned fellow	
who	is well II	kea around town	." Dalitz stated,	"Here,	"Il give you	500 now ai	nd if he \subset)
nee	ds more s	ee me later. D	o you want me to	give it to	you and you	give it to	him?'' ←	i
			I think that would	be better	than giving	it to him d	lirect."	-
	nz again r		that if he nee	eded a mu	ie more late	r on to let artainly lil	re to see	
	hed win."	good luck	and sta	aleu mai	we would co	sicality in	ic to bee 🛶	١
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fro	m a compa	iny controlled b	Wilbur Clark, P	resident	of the Deser	t Inn Hote	and Moe	ĺ
Dal	itz, who o	was stock in the	Desert Inn. It is under the Top Ho	odlum pr	ac	Vegas		
WII	our Clark	20CT 3 1962	duder the tob to	Turing pro	92.31	168	í	
٦	56	001 "	Aug (- 1 Aug	, \'	12.30 NOT RECORD 0 SEP 24 198	SED 21	2 TACLES	
_	Mr. Belo			bx _V	0 SEP 24 196	<u> </u>	- " ()	
	Miss Hold C:trek time	nes / 📿	SSP 24 196	32		, -		
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Jones to DeLoach Memo Re:

Subsequently,

by Some allegations were substantiated, others were not. The information was obtained

unsavory activities including

has been involved in a number of

During

the Sanda Hotel. It is noted that the income from the

generally amounts to from \$50,000 to \$60,000 per year. It appears that he is receiving income from another source other than home in Las Vegas which is reportedly in the \$125,000 class.

RECOMMENDATION:

For information.

D9/m

UNITED STATES GOVERNMENT

Memorandum

JUNE

TO : DIRECTOR, FBI (Bufile 92-3068

DATE:

9/13/62

Attn: Assistant Director COURTNEY EVANS

FROM SAC, LAS VEGAS

672

SUBJECT: JUSTIFICATION FOR CONTINUATION OF TECHNICAL OR MICROPHONE SURVEILLANCE

RE: Title MORRIS BARNEY DALITZ, aka

670

Character of Case AR

Field Office I

LAS VEGAS

Symbol Number

TOUT INFI

Type of Surveillance: (Technical or Microphone)

1. Name of person or organization on whom surveillance placed:

MORRIS BARNEY DALITZ, Desert Inn Hotel, Las Vegas, Nevada.

2. Address where installation made. Also give exact room number or area covered:

Executive office, Desert Inn Hotel. Space utilized by DALITZ and other hotel executives.

3. Location of monitoring plant:

Las Vegas Office

4. Dates of initial authorization and installation:

Authorized 8/3/61 - Installed 3/22/62

5. Previous and other installations on the same subject (with dates and places):

None

6. If installation is a technical surveillance, answer following questions:

a. Is a trunk line utilized?

NA2

b. Is the surveillance on a switchboard? NA2 35

. Is the surveillance on a public comperated to phone?

Bureau (A.M.) (R.M.)

- Las Vegas

Boh (NTEC) 9

570

1 - Las Vegas DCT 3 1962

- d. Is surveillance on a private line or a party line? NA
- e. If a party line, how many parties? NA
- 7. If a microphone surveillance involved, state number of microphones actually used and location of each:

One (Executive offices Desert Inn Hotel)

8. Is the installation part of a tel-mike? If so, give symbol of other side of the combination:

No

9. Specific examples of valuable information obtained since previous report with indication of specific value of each item and the date information received. State what use was made of each item involved: (Add insert pages)

See page 2A

10. Could above information have been obtained from other sources and by other means?

No

11. Number of live informants (in field division) who cover same subject:

Three

12. Has security factor changed since installation?

Νo

13. Any request for the surveillance by outside agency (give name, title and agency):

No

- 14. Cost of Plant Premises:
 - a. Rental costs for plant premises: None
 - b. Give total number of other surveillances monitored at same plant.

Eight

Informant advised on 6/13/62, that on this date DALITZ telephonically contacted of the Desert Inn Hotel, from Europe. Informant made available portion of this conversation, which related to hotel operations and other matters of interest.

Informant advised on 6/23/62, that on this date and others associated with him and with DALITZ met at the Desert Inn Hotel, where they discussed their mutual business interests and also made arrangements for a forthcoming outing to Pebble Beach. California.

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Informant advised on 6/27/62, that on this date WILBUR CLARK, President, Desert Inn Hotel, met with an individual identified as

California. They discussed individuals who had markers" at the casino and suggested that the could collect one of these markers for the hotel if CLARK desired, and it was apparent the was being paid off to allow bookies to operate in also advised CLARK that he had

told CLARK that he had "enough stuff that's dynamite that'll blow right out of the water." He indicated he intended to contact a political columnist of a San Francisco newspaper and "send him where he can find another 40,000 and then I want to send him where he can find a \$152,000.00 item. This stuff they can check on and confirm. This 152,000 is what the gave to him." Information furnished by indicated had possibly received money illegally from the

On 7/2/62, DALITZ and met at the Desert Inn Hotel following DALITZ's return from Europe furnished DALITZ confidential information relating to a bribery case in which he paid the bribe money to ROY COHN, New York City attorney.

Also on 7/2/62, DALITZ,
Desert Inn Hotel, discussed the disposition that
Is to be made of money apparently removed from the casine cage
and used by the individual owners without this money being
accounted for in the usual manner. They were disturbed since
the home of the usual manner. They were disturbed since
the home of the usual manner of the opinion it
would have been embarrassing and difficult to explain had a
large amount of money been found in the home of one of the hotel
executives.

pointed out that all of the owners should pick
up their money promptly and not leave it laying around for any
length of time where it would arouse suspicion.

On 7/3/62, informant furnished considerable information regarding political activities in Nevada and identified candidates to be supported by DALITZ and his associates and outlined strategy to defeat candidates opposed by this group. Informant also advised that DALITZ was attempting to put pressure on sources in Washington through the Nevada representatives in Congress to stop the Federal Grand Jury hearings in Los Angeles, California, and to take the pressure off of the Nevada gambling industry.

On 7/5/62, informant furnished information regarding the Federal Grand Jury hearings in Los Angeles and also identified individuals in Washington, D. C. and New York City whom DALITZ and his associates were considering contacting to persuade them to use their influence in Washington, D. C. on behalf of DALITZ. DALITZ also desires to use these contacts to get DALITZ's name removed from the list of the top forty national hoodlums.

On 7/5/62, informant furnished additional information regarding political activities in Nevada and set forth strategy contemplated by DALITZ and It was apparent they completely dominate the Nevada Hotel Association and

Informant advised on 7/19/62, that DALITZ and had spent the last two days in Reno, Nevada. They were negotiating there to purchase 254 acres of unimproved land about four miles outside Reno. They anticipate constructing a new \$9,000,000.00, 500 room hotel on this property.

On 7/31/62, informant furnished additional information regarding the pribery case in New York City and furnished details regarding some of the maneuvering that is taking place in respect to this matter by ROY COHN, who is

On 8/9/62 and 8/13/62, informant furnished additional information regarding political matters in Nevada and the extent of participation in these activities by individuals associated with the Desert Inn Hotel.

involved, and other close associates of COHN.

On 8/30/62, informant advised that DALITZ and and their associates are negotiating to purchase the Stardust Hotel, Las Vegas, from its present owner, JOHN "JAKE THE BARBER" FACTOR. Informant also advised that DALITZ was anticipating going to London, England for ten days and would arrive in London on 9/6/62. He anticipated meeting there with and also with others, probably in regards to a yacnt and pallitz are having constructed in Norway.

67C

c. If any others, set out the proportionate cost of instant surveillance:

None

15. Cost of Leased Line for instant installation?

\$29.75

- 16. Personnel Costs:
 - a. Give total number of special employees and/or Special Agents working at plant and total salary costs.

Three GS-7 clerks full time. Total cost \$16,065.00 per year.

b. Total number of man hours per week spent at plant?

120 hours per week - monitored in office

c. If other installations monitored at same plant, list proportionate number of man hours per week spent on instant surveillance:

15 hours per week on instant installation

d. If other installations monitored at same plant, list proportionate salary expense per annum for instant surveillance:

\$2,008.13 per year

17. Remarks (By SAC):

bic

Informant has continued to furnish extremely valuable information in the Criminal Intelligence field, especially as it applies to MORRIS BARNEY DALITZ, and others closely associated with them in the noter ownership and management. This source has also furnished valuable Intelligence information regarding other individuals connected with the hotel and in some instances regarding individuals not associated with the Desert Inn. Informant has identified individuals supported by the Desert Inn group for political offices and in many cases furnished the amount contributed to their respective campaigns by DALITZ and his associates. Informant is in an excellent position to identify undisclosed interests in the Desert Inn Hotel and to furnish information regarding money "skimmed off the top" and distributed among the owners and sources outside

of the state in violation of local gambling regulations. Instant source will be continued an additional 90 days UACB since information furnished by this source could not otherwise be obtained.

18. Recommendation by Assistant Director:

(If this surveillance involves cryptanalysis, include statement that decrypted material is or is not sufficiently important to continue decrypting.)

This misur is located in the executive offices of Morris Barney Dalitz at the Desert Inn Hotel in Las Vegas.' Dalitz Is, of course, a national hoodlum figure and is head of the group that operates the Desert Inn and Stardust Hotels in Las Vegas. This informant has already provided extremely valuable information in connection with our efforts to penetrate skimming and undisclosed interests in the Nevada gambling industry. Source has also provided extensive information concerning activity of Dalitz and the Desert Inn group in connection with the recent political campaign. Source's continuance is highly recommended.

3

UNITED STATES GOVERNMENT

Memorandum

TO

DIRECTOR, FBI (92-3068)

DATE: September 27, 1962

FROM W LEGAT,

VILEGAT, LONDON (92-14) (RUC)

SUBJECT: MORRIS BARNEY DALITZ, aka

00: Las Vegas (92-451)

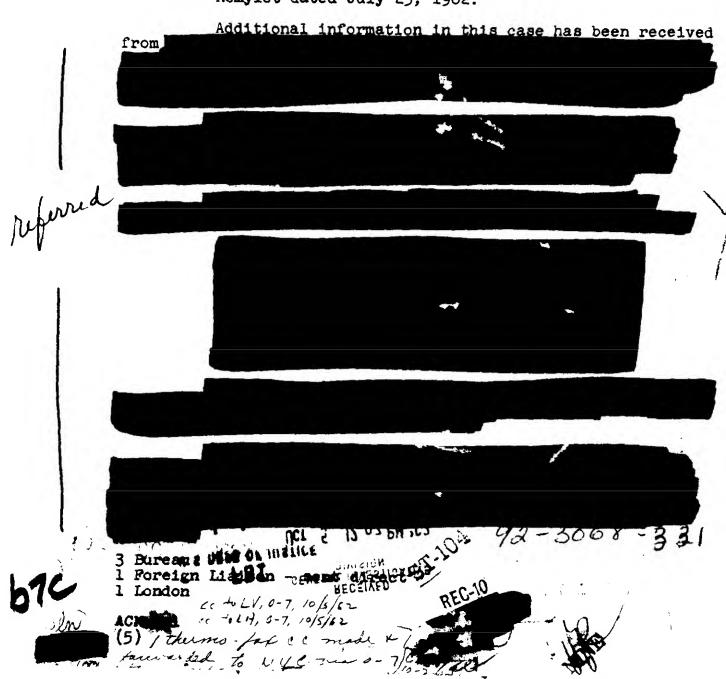
Remylet dated July 25, 1962.

HE WERENATION CONTAINED

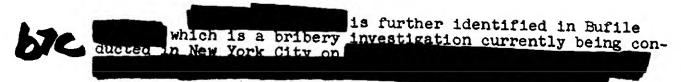
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LONDON 92-14



The above is for the information of the Bureau.

FD-36 (R	(ev. 12-13-56)	. .	
		FBI Date: 9/25/62	
Transmit	t the following in	PLAIN TEXT	1
	the following in	(Type in plain text or code)	
Via	AIRTEL	AIR MAIL)
		(Priority or Method of Mailing)	
		DIRECTOR, FBI (92-3068) SAC, LAS VEGAS (92-461) (Sub 1)	
	OTTO TOOM.	MODRIG PARKEY DALLEY OLO	
	SUBJECT:	MORRIS BARNEY DALITZ, aka AR	
		OO: LAS VEGAS	
		Ro Las Vegas airtel to Bureau dated 9/19	/62.
		WEEKLY SUMMARY	
	on the da	The following information was furnished tes indicated:	by
		Informant advised on 9/17/62 that on the ct returned from a trip to Europe, where condon, and Paris, France.	
2		Informant advised he contacted	
		had talked to anyon	a of all
16_	about	affair. DALITZ indicated that certain	n people in
		MEG him a little worried since pressure w y individuals not identified by DALITZ.	
	that	he was possibly unnecessarily alarmed, b	ut he hoped
	matters r	ything turned out for the better. He the egarding the Desert Inn Hotel with	n discussed principally
	problems	which had arisen in connection with const	ruction of
	a two mil	lion addition to the Desert Inn.	
		Information from if utilized, paraphrased in order to further protect	
	of this s	owner Whig information is not to be dis-	seminated
	without B	(R.M.) (R.M.) (R.M.) (R.M.)	8-332
	3-Bureau	(R.M.)	
	3-Las Veg	as (1 - 92-461 Sub 1) 5 00T 1 1962 (1 - 92-461)	
	TARREL	(1 - 92-377)	

Sent

Special Agen' ... Charge

Approved:

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LY 92-461 Bub 1

DALITZ subsequently contacted an individual referred to as a line of the discussed briefly local political activities and DALITZ also mentioned that as soon as a returns from New York they would all get together and ancews further the Landmark deal. He stated that had been studying the situation and they had all the information available. Informat has previously indicated that DALITZ and his associates are considering leasing the casino in the Landmark Hotel, which is presently under construction in Las Vegas.

DALITZ then contacted

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elated over the outcome of the recent primary election in which "SRMAN MILTON GREENSPUN was defeated for Governor. DALITZ stated that "it couldn't happen to a nicer guy." He also mentioned to that he was going to try to get out to his ranch later on in the week, but first he wanted to contact

his ranch in Gunlock, Utah.

They also discussed the rocal they also discussed the rocal that a property and having some difficulty with a group not identified. Dalitz strad he would intervene without letting these people lies that suggested he intervene. Ballit also stated "they for some internal strife down there. They got RETRATTER (JACK ENTRATTER, President of the Sands Hetel) going one direction and the rest of them are going another direction, but I'll talk to them. The Sands did make their pledge didn't they," It would appear that the official after the Sands Hetel are undecided as to whether they will support Legablican ORAL GRASSON or incumbent Democrat GRASSON for Governor in the forthcoming general elections.

then entered and entered into a convergation with paints. Dalitz was highly complimentary of the job accomplished in defeating GREENSPUN in the primary electron. He stated that "now possibly people will loss some of their fear of GREENSPUN and the more he rants and raves the more they will realize they were right in not nominating him to run for Governor

LV 92-461 Sub 1

indicated that the char members of the Hotel Association and also with DALITZ. In advised DALITZ that it is known what his question is going to be now. He will want to know if the Hotel Association is going to support him in the general election and he is also going to request financial assistance. DALITZ replied that the hotel is in a situation where they cannot now turn their backs on but at the same time they cannot oppose the He said to tell that "we have two fine gentlemen running for either one of you would be a credit to the state." He stated that the only thing the hotels could do now, and especially the Desert Inn, is to support both candidates financially, but to take no active part in campaign activities.



then returned the conversation to GREENSPUN and stated that GREENSPUN was seven months overdue on his payments. DALITZ replied, "Are you sure. The Teamsters didn't pay anything on the golf course. The note is seven months overdue. The people who have the note on the golf course may foreclose."

DALITZ then placed a telephone call to in Detroit, Michigan. is believed to be a who has been associated with DALITZ in the past in pusiness: ventures and has in the area. DALITZ indicated to that he had found out an unused individual had died a couple of weeks ago. He was concerned since a suit had been filed in Civil Court in Detroit in connection with the death of the unnamed individual and the possibility existed that DALITZ would be subpoensed to appear as a witness. He stated the deal had taken place twenty years ago and his mind was very hazy on the thing and he certainly did not desire to testify. evidently advised DALITZ that there was a chance he would not be called to appear but that he was forwarding DALITZ all of the papers relating to the transaction. After DALITZ hung up he explained to the was still present, that twenty years ago he bought a market with the individual who had died in Detroit. The supermarket had done very well and in a short time they had made enough to pay back all the loans and the money invested. Since DALITZ was in a high tax bracket, he offered to sell the market to his partner approximately ten years ago and the sale was made at that time.

LV 92-461 Sub 1

DALITZ told he had just returned yesterday from a trip to London. He also went up to Norway, where they are constructing his new yacht and checked on its progress. He stated it would be ready the latter part of October and he was going to Norway and personally bring it down to the Mediterranean. He owns the yacht jointly with but who is now in New York

DALITZ subsequently called in New York and they discussed DALITZ's trip to Europe and the progress being made on the yacht. DALITZ stated that in addition to going to Norway and London, he had also spent a couple of days in Paris, where he had made inquiries regarding some new acts. He commented that "you couldn't get BRIDGET BARDOT for a hundred thousand dollars." Regarding the boat, he stated that they had to make one more payment and that would complete the payments. He suggested to that he move his operations to New York.

and that he standpat until a deal comes along that looks like it's worthwhile. DALITZ cautioned him to beware of promoters. DALITZ stated he had talked to "my people in Paris and they are high on that place we want to visit. I told them to see if they could get the license transferred and maybe make a deal with those people to move."

Informant advised on 9/18/62 that on this date DALITZ met with an unknown individual believed to be Desert Inn and STATUMET HOTELS, DALLITY TOICE that the Desert Iss group had a chance to open up a place in Keno which would probably be the beginning of a new Strip. This location is situated approximately four miles from the city limits towards the airport. He said tentative plans are to construct a 500 room. hotel with an 18 hole golf course and an indoor - outdoor swimming pool. DALITZ is of the opinion this is a much more desirable location than the Lake Taboe area where they have a very short season. They tentatively plan to produce a Lido type French show and also have live entertainment in a large cocktail lounge. The unknown male discussed with DALITE an entertainment group which had been mikesing at either the Desert Inn or the Stardust Hotel, During their engagement one individual connected with the act and his wife had lost \$55,000.00 on the crap tables. They lost most of the money at the Desert Inn and the Stardust.

DALITZ then discussed further with the unknown male the situation of in New York. DALITZ stated "there is nothing we can up at the present time and I told him when he got in this trouble that we would expect him to stand up and be a man about the thing. He said, don't worry about me, I can take care of myself. Well now I'm not so sure if he has or not. I hear people in New York and elsewhere are doing an awful lot of talking about the matter.

An individual named then entered and discussed with DALITE a 20 acre plot of land which is owned by the Desert Inn group. This land is presently up for sale and the original asking price was \$500,000.00. evidently indicated to the group that he thought he could get \$550,000.00 for the property. Told him that if he could get 550 he could take a \$25,000.00 commission for himself. DALITZ was very emphatic and stated that under no circumstances did he want anyone inside the organization to secure a commission on anything owned jointly by the group. He stated that he did not even want anyone inside of the organization to purchase the property. DALITZ told that had a lot of matters on his mind, both personal and otherwise; and that in this case he was not thinking clearly. He explained to that he had been in business for many years with MORRIS ELECTRICAL, SAMUEL TUCKER, and others, and he did not want any one of them to think at this time that he or were making deals behind their back which would result in any one individual securing extra resuseration. He told entire future was at stake in New York and that he are not want to call him at this time and burden him with a decision. He felt that should devote his full time and energy to his own personal satters until these things were satisfactorily cleared up,

then sought the advise of DALITS on a personal deal in which he had become interested. The stated that he had an exportunity to purchase a lease of the land located. had an opportunity to purchase a lease of so impediately adjacent to the Sanda Fatur This deals hovever The three of the Hotel or to some other party. were going back to the Sands Hotel or to some other party. that the did not want any repercussions from anybody as woodsred what DALITZ's reaction would be to him entering into a partnership with the bad DALITZ replied that he had and he understood him and not only did he not disapprove or use deal, but he thought that possibly the Besert Jan Hotel should do a little more business with And during recent rear land been reported to be carrying money to Switzerland;



LV 92-461 Sub 1

Later in the day several individuals met with informant at the Desert Inn Hotel, at which time they discussed their hothouse tomato farm located adjacent to Las Vegas. They indicated they had already spent approximately \$365,000.00 and that they were going to need additional cash to complete the project. They are putting up thirty buildings, which at the present time are about 90 per cent complete. They will start producing fruit in November of this year and by February will be into maximum production. They anticipate producing approximately two million pounds of tomatoes between now and November and they are going to sell these locally and also on the California market.

Informant furnished no pertinent information on 9/19/62, however, DALITZ was at the Desert Inn Hotel on this date and spoke briefly with several individuals regarding matters primarily connected with the additions to the Desert Inn and Stardust Hotels.

Informant advised on 9/20/62 that on this date DALITZ met with several individuals, at which time they discussed the addition to the Stardust Hotel. They anticipate several new innovations, including a separate entrance for the hotel and casino, and they also anticipate constructing a new restaurant which will serve sea food.

Informant furnished no pertinent information on 9/21, 22, 23, or 24/62.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

UNITED STATES GO ERNMENT

Memorandum

Director, FBI (92-3068)

DATE:

9/27/62

DI FROM

Legat, Mexico (92-26) (P)

SUBJECT:

MORRIS BARNEY DALITZ, aka

Remylet 7/19/62.



MEXICO CITY

Will maintain contact with source at determine developements with respect to subject's yacht or any activities by subject in

(5) Bureau (1 Liaison Section) (2 Las Vegas, 92-461) 1 Mexico City RLL:mms (6)

92.3068-333 MC 31

BYITUS

FBI

Date:	10/9	/62
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Transmit the following in	
	(Type in plain text or code)
ViaAIRTEL	
tá	(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068)

FROM: SAC, CHICAGO (92-410)

SUBJECT: MORRIS BARNEY DALITZ, aka

AR THE COURSE OF
Re Las Vegas Airtel to Bureau 10/3/62, relating to information from part of which pertains to plans for entertainer apple FISHER.

Information contained therein is most interesting to this office and further points up the GIANCANA organization interest in the Villa Venice Supper Club of Wheeling, Illinois, a Chicago suburb. The information contained refers to this establishment, and not the Sahara Inn Motel, as indicated.

The Villa Venice has been run over the years by persons associated with the Chicago Criminal Organization, but was never considered a profitable venture. As a matter of fact, the main business of the Villa Venice came from weddings, private parties, catering groups, etc. It was recently closed for remodeling, and is scheduled for reopeaing 10/31/62, featuring EDDIE FISHER as the star attraction.

has reported that it has a seating capacity of 600, and will be the most plush supper club in the Chicago area, possibly nationally, and will far surpass the facilities of the Gigi Room of the Sahara Inn North. GIANCANA is directly interested in this venture, although it has not yet been ascertained if he has an interest of record. A separate case has been opened captioned "VILLA VENICE CLUB, Wheeling, Illinois, AR".

REC-7 92-3068-3344

3 - Bureau 1 - Las Vegas (92-461-Sub 1) 3 - Chicagour (1) (1) - 92-new)

- 92-349)

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Appro

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pproved: A Samuel Agent in Charge

Sent

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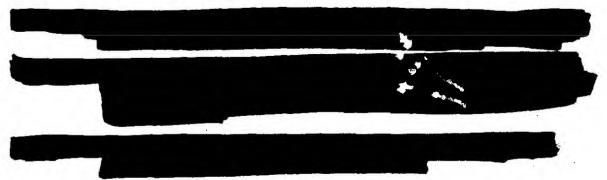
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		Date: 10/3/62
Trai	nsmit the following in	PLAIN TEXT
		(Type in plain text or code)
Via	AIRTEL	AIR MAIL (Priority or Method of Mailing)
7		
	то :	DIRECTOR, FBI (92-3068)
	FROM :	SAC, LAS VEGAS (92-461) (Sub 1)
	SUBJECT:	MORRIS BARNEY DALITZ, aka AR OO: LAS VEGAS
	3.	WEEKLY SUMMARY
	subject,	ndwiged on 9/28/62 that on this date Desert Inn Hutel
		Towada Hotel Association, but together with the at the Desert Inn. The discussion centered
*	primarily	around what amounts the hotel would contribute rions candidates running in the general election in
1	Nevada. a discuss	
1		They discussed money and other atters relating apaign and inquired of if he had received
	35	from the Sahara Hotel in the primary election.
	"that dea	not solicited. Rade the observation that l of theirs has all been questionable to me". He a series also aware of this and was going to
	stay away	from the Sahara during the general election. After
	carefully	Information from the if utilized, should be paraphrased in order to further protect identity
	of this s	
	3 Burgan	2.7100
		2461 Sub 1) -461) -461) -461) -461) -461) -461) -461) -461)
	Wick (5) WEST II	10 OCT 8 1962
00	Approved:	Sent M Per
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way it's set up at the present the the operating company cannot operate at a profit. This means that every dollar taken in has to go to the Webs Corporation, which corporation owns the Sahara property. This is effect makes the Del Webs Corporation also an operating company. Their conversation continued as follows:

-. .

DALITZ: That's right, they're sharing the profit. They have also started a monopoly and if it's not all right for us, it shouldn't be all right for them.



DALITZ: We don't want to make it appear that we are dumping anyone and we don't want it known that we are giving less than

DALITZ: We give each one 2,500. We're playing the middle of the road. Now we'll get some man in Reno to give another 2,500 of our money and it won't be moved where it's coming from. We will tell what we are doing. We can noughbly give the 2,500 to to the is the second boy and he can give it to

At this point DALITZ received a telephone call from the apparently called from New York City.
They elseused the new yacht they are purchasing jointly and DALITZ told him not to worry about the interview, that his (DALITZ') affairs are all in order and he had nothing to worry about. He told that his affairs were all above board

and it is really none of their business where you got the money for your half. (The above conversation probably relates to

~ ·

DALITZ: They are making a big deal out of that boat. came to me and said, "Is it true you are giving 250,000 for that boat". I said, "Since you are throwing figures around, make it half a million". You know I won't talk to those guys any more. I just turned and walked away. Never again will I talk to those (Obscene).

This is not an unreasor ble amount. Most of the money came from the hotels, nowever, it is politically unwise to let this information be made public. He has the reputation of being our man because we gave-

him all that support in the primary.

What do you want to give

ě

He has future possibilities

DALITE: I have some news for you. In that spot I would go strong. That may give us trouble.

DALITZ: We will give something, but we have got to give more. We can't afford to offend anyone.

bx

The group then discussed the possibility of again inviting the Dunes and Sahara Hotels, Las Vegas, to become members of the Mevada Notel Association. DALITZ expressed the opinion that is the individual who is causing them are or the trouble. He stated that some pressure could be put on these two hotels if the hotels who belong to the Association could form a local show reservation agency. Show reservations would be honored only for member hotels, and this would cause the Sahara and the Dunes considerable hardship.

DALITZ made the observation that all hotels in Las Vegas are doing well at the present time with the possible exception of the New Frontier. The Dunes and the Thunderbird are making money and are loing better than they have for many years.

Other pertinent information furnished by the informant on 9/28/62 is being furnished to the Bureau in separate airtel.

Informant furnished no pertinent information on 9/25, 9/26, 9/27, or 9/29/62.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

Anntoved.

FBI

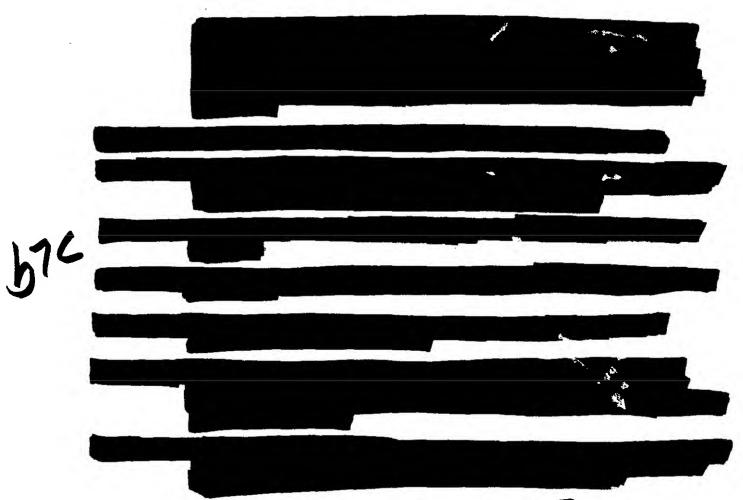
Date: 10/9/62 PLAIN TEXT Transmit the following in ____ (Type in plain text or code) AIRTEL AIR MAIL (Priority or Method of Mailing) TO DIRECTOR, FBI (92-3068) FROM SAC, LAS VEGAS (92-461) (Sub 1) MORRIS BARNEY DALITZ, aka SUBJECT: AR OO: LAS /EGAS advared on 10/3/62, that on this date not at the Desert Inn Hotel, Las Vegas, Nevads MERCE TOT HOTEL Comments by ere frequently not distinguishable since he was not in the immediate presence of informant. Information from carefully paraphrased in order to further protect the identity of this source. This informatica is not to be disseminated without Bureau authority. (3-Bureau (R.H.) 5-Las Vegas 1-Chicago: (Info) (R.M.) (1 - 92-461 Sub 1) 1-Los Angeles (Info)(P (1 - 92 - 461)(1 (1

EX - 10%

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

	Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.						
ÌΣ	Deletions were made pursuant to the exemptions indicated below with no segregable material available for release to you.						
	Section 552			Section 552a			
	□ (b)(1)		(b)(7)(A)	(d)(5)			
	□ (b)(2)		(b)(7)(B)	☐ (j)(2)			
	□ (b)(3)	Ø	(b)(7)(C)	\square (k)(1)			
			(b)(7)(D)	☐ (k)(2)			
			(b)(7)(E)	☐ (k)(3)			
			(b)(7)(F)	☐ (k)(4)			
	□ (b)(4)		(b)(8)	☐ (k)(5)			
	□ (b)(5)		(b)(9)	\square (k)(6)			
	☐ (b)(6)			☐ (k)(7)			
	Information pertained only to a third party with no reference to you or the subject of your request.						
	Information pertained only to a third party. Your name is listed in the title only.						
	Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.						
	Pages contain information furnished by another Government agency(ies). You will be advised by the FB1 as to the releasability of this information following our consultation with the other agency(ies).						
	Page(s) withheld for the following reason(s):						
	For your information:						
X	The following number is to be used for reference regarding these pages: HQ 92 - 3068 - 336 PG 2						
	·	0	xxxx	OCCOCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC			

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The above appears to be a recital by connected with his recent trip to New York City, where he was apparently in contact with United States Attorneys.

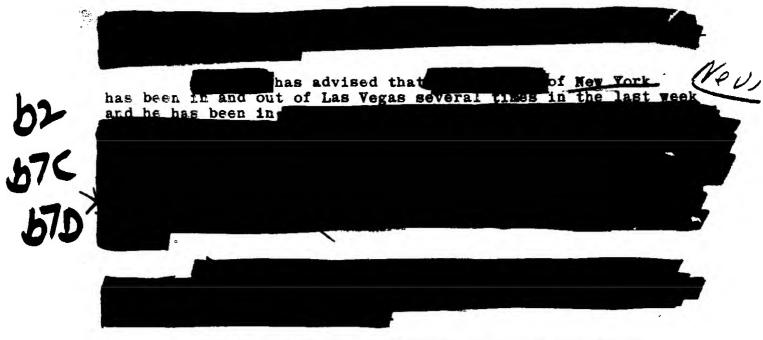
Later on on 10/3/62, placed a long distance telephone call to to number in New York City. Following is portion of the conversation:



thereafter telephonically contacted or the conversation and shortly contacted or the conversation is as follows:



Neu1



DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

FBI

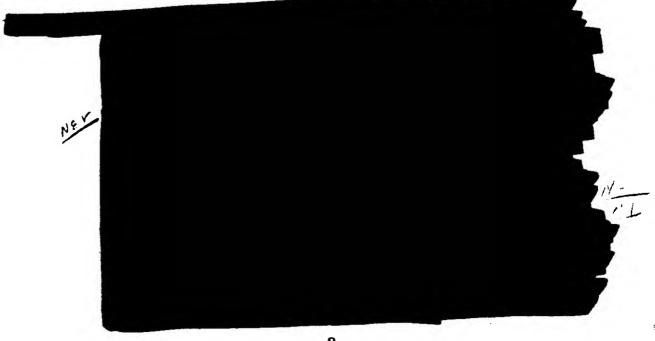
10/3/62 Date: PLAIN TEXT Transmit the following in ____ (Type in plain text or code) AIR MAIL (Priority or Method of Mailing) : DIRECTOR, FBI (92-3068) TO SAC, LAS VEGAS (92-461) (Sub 1) FROM SUBJECT: MORRIS BARNEY DALITZ, aka AR OO: LAS VEGAS advised on 9/28/62 that on this date MORRIS BARNEY DALITZ, GEORGE GORDON, and SAMATUCKER met together at the Desert Inn Hotel with informant TUCKER and GORDON both reside in Miami, Florida. TUCKER is a principal stockholder of the Desert Inn Hotel and GORDON has been reported to be a collector for the hotel. DALITZ are also stockholders and the two dominant figures connected with the hotel operations. DALITZ: Worse than that. Look here how bad it is. What do they want to do, put him in another hotel TUCKER: in town here? CD . Wick if utilized, should be Information from carefully paraphraged in order to further protect identity of this source. This information is not to be disseminated without Bureau authority. 8-Las Vegas 3. Bureau (R.M.) (1 - 92-461 Sub 1)2-Chicago (R.M.) (1 - 92 - 461)1-Detroit (Info) (R.M.) 1-Los Angeles (Info) (R.M.) (1 -162-11 GRORG - PORDON) 1-Miani (Info) (R.M.) (1 -(1 - 22.57)1-New York (Info) (R.M.) 1-Phoenix (Info) (R.M.) 24-493 RUBY KOLOD) 1-San Diego (I (1 - 92-707 Desert Inn Ho

Sent

DALITZ: No, this is to do favors for our friends in Chicago.



DALITZ: They want to dump this place and get a whole lot of acts in there and build up a good financial picture.



DALITZ:

Okay, now I'll fill you in. I get a call last night from

62 670 670

He says, "MOE listen, what the hell are you doing to us." I said, "Why?" He said, "MOE we don't want to go to that (Obscene) hotel in Chicago. This man's career is at stake." I said, "How did you figure that - these fellows are nice fellows, they are good friends of ours. We would like him to go there. In fact we told them they could use him and we would take him at another time." He said, "MOE you shouldn't have done that. Did you already tell " said, "Yes." He says, "Listen, we expected you to say no because EDDIE doesn't want to - FRANK SINATRA came to EDDIE FISHER and said, 'Look, you're' going over here for 18 days, never mind about the Desert Inn, I already handled that. I take care of that. They do what I tell them'." FISHER opens Tuesday in New York with this JULIET PROWSE. It will probably be a big smash and they want to claim the thing right from there. It looks like to me that EDDIE FISHER will may, "Well (Obscene) I won't work in either place." T told we can't keep DURANTE here for seven weeks. If he exposes himself like that he will never be able to come back. I said, we will close the (Obscene) room for three weeks, but let's do the favor. These guys instead of being our friends - I said,_ this is your business too." Now I said to (Obscens) I didn't realize the other thing or I wouldn't have made this promise to these people, but I made it." He mays, "MOE, you are going to kill not only the Desert Inn thing but you'll kill us. This is an unknown thing in Chicago. What is KDDIE FISHER doing a big smash hit to an unknown place. He should go to the Desert Inn." I'll guarantee it. Why didn't he go to the Riviera. Why didn't he take HARRY BELAFONTE out of here and put him over there.

TUCKER: BELAFONTE is no comparison to EDDIE FISHER.

(All talk at once.)

DALITZ: SINATRA already said he takes care of the Desert Inn and it's okay with them if it's okay with FISHER, and now they call me up and say not to say yes. I have

already said yes.

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TUCKER: Can't they set their dates so that they don't interfere

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with us. Why don't they change DAVIS around.

DALTTZ: Because they think the easiest one to handle is the

Desert ann.

67C

DALITZ: Do you know what I would give out of my pocket - out

of the pocket of the Desert Inn. I'd give a \$10,000 or \$15,000.00 note if that's what they asked. Maybe

even 20,000 because you can't tell what this is.

DALITZ: But EDDIE does not want to go with them.

GORDON: But he wouldn't tell them he wouldn't want to go.

DALITZ: I wouldn't tell them that.

GORDON: But he wouldn't tell them?

DALITZ: No. Insisted, practically threatened

me .

(Cal-Neva Lodge in Lake Tanos)

DALITZ: He won 35,000 here the last night. We have got to send a wire to the Winter Garden to EDDIE FISHER.

Now you are going to have to keep in contact with

GORDON: I will.

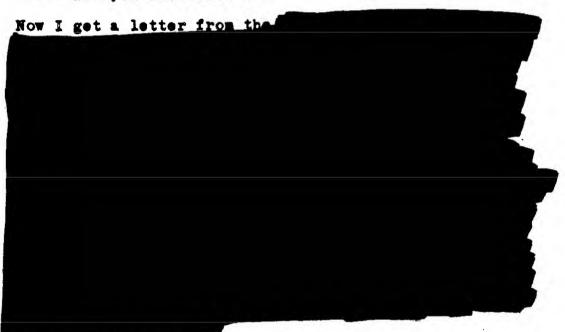
DALITZ: Now there's one other thing. The other day I got a

call from the came here with a suddenly become charity minded. he came here with a substant and they are building a new church and he wants each hotel

to put in ten or fifteen thousand. The church is in Detroit. I told him I have trouble getting them to

put it in for a synagogue here in Las Vegas much less a church in Detroit. I said, I can't get that kind of money here. I said, I can probably get you a couple thousand. He says, "Hell that ain't going to do me no good. I need ten or fifteen thousand from each place." He says, "I can get half of it from a guy like SIMATRA." I said, "Let's skip SINATRA." He thought I would jump on that. He said, "SINATRA will give thirty or forty thousand." I said. "Fine, I'll call SINATRA for you. I'll call sinatra for you. I'll call sinatra for you here and you meet with them."

b7C



GORDOM:

He went to Chicago, but those (Obscenes) wouldn't give him everything. He said they would give him three or four points.

FUCKER:

They are trying to put MOE in a bad light because he wouldn't go ahead and do it.

DALITZ:

I have been given a job to do - to be a beggar, which I am not by nature. They are now asking me for the donation. I'm not going to give it to them. He must have sent a message to them. We are trying to be civic minded here for (obscene) sake. We have our own projects, you tell him, and I will give a little personal contribution to the priest, not to be tell to be tell to be the priest.

GOPDON: Okay.

TUCKER: Who?

DALITZ: MOONEY sent the message back "Thanks very much for

helping him out or EDDIE FISHER. brought the

message to gave it to me.

GORDON: He don't give a (Obscepte). I told him I didn't want

to go to Chicago. There was a lot of heat there.

The above individuals depart.

9-0

advised on 9/30/62 that on this date DALITZ, TUCKER, and GORDAN again met with informant at the Desert Inn Hotel.

DALITZ: I want you to know that anything I say here there is no animosity, demand, or hostility of any nature. It's a normal thing I'm trying to reason out. Look BAN, let me explain my own situation.

ABASE LONGY ZWILLMAN) killed himself

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I know I don't like is Vegas and I like the Thited States. I feel this way. SAN.

But all this has nothing to do -I'm not trying to cut the ties so I can move somewhere else. I'm going to keep my boat over in Europe a couple of years and when I bring it here it will be as a new vessel. I'll pay the \$14,000.00 duty when I bring it in. To get the boat built over here would cost \$300 000.00 and I got it over there for 125,000. Now I just feel, SAM, I would rather get out. I will stay for a year if they want me and if not, I'll quit tomorrow. They can have it any way they want. I'll want to sell out. I'll want to get off the license and I'll never be able to get on again once I get off. I have nothing but good feelings toward everybody, SAM, even MORRIS (MORRIS MARINAM) despite all his (Obscene) tricks and opinion. He wants everybody to 4 work for him. Lut even with all that, SAM, I am not mad at him, neither are any of my other partners. I just feel if I don't do it, I'm not going to take care of business anyway, so why be getting the money for nothing. Here's what I'm worried about. I don't want to leave a wrecked D.I. I don't want to see it go down the drain. It's not a case where I want to leave and say (Obscene) them, it's nothing like that. Now here's the problem. I know that after I leave will be leaving. I don't think you have anxon vno can pitch hit for him.

is not able and he is too lazy. He is awfully nice but has no mentality. Why do you think WILBUR (WILBUR CLARK) never shows up. He can't keep pace, so good judgement tells him to stay away. Take a guy like

I'm telling you what you are going to

I'm telling you what you are going to be commonted with. I is too blunt. He'd have everybody in the place righting him. Neither can you

have is. If you want him in that spot you have got to give him more dough and then never out of your kick. If you want it to be out of your kick, you have got to make sure you are protected, and if he don't declare it, then he is the one in trouble. Now you have got to have, and I think we should do this now - I don't want to leave you with a (?). I will be available to come back any time I'm called. I'll just use a mame. We can't get this person, but it must be people like him.

We need a who is a lawyer. He went with so we can't get him, but we need a man like this who is a Nevada man who is not tainted. He should have a legal and political background. We need someone who can sell the Desert Inn locally.

I don't even know his religion.

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TUCKER:

He's Jewish.

DALITZ:

People in the community respect that guy. Now said if the Desert inn said if the Desert inn vould take care of him, he would move to Las Vegas. He wants to separate from his (Obscene) wife. But this guy is weak - gambling and drinking. Let me tell you if you bring in a nonlawver you will immediately have trouble with and some of the others. The will say, why in the hell did they bring in some outside guy. I've been in the organization." But a lawyer you can bring in because we need a full time lawyer. Remember nothing is an ultimatum. We are in no immediate danger. The Sands is in more trouble than we are. I don't mean by that I'm glad they got the heat and we haven't.

TUCKER: Everybody's got it now.

DALITZ:

At the moment there's less hysteria than eight months ago. We haven't been harassed by grand juries yet. At least everybody has decided now to take the fifth. You don't have to remember anything, only one statement. Anyway I told I might retire and he said, if you do, I think I will go too. I think I told

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want to get out, then I think maybe we should sell. Why should WILBUR sit around and collect. If he neede the money it would be a different thing. He should volunteer to give it up. I'll tell you the truth, I consider GEORGE (GORDON) in a much different light then I consider RUBY (RUBY KOLOD, casino manager, Desert Inn Hotel). RUBY has not been loyal to me, GEORGE has. I don't feel a thing about RUBY and he has the same feeling towards me. He helped undermine me in certain respects - very cutely and very smartly. If I would be put in GEORGE's shoes and if TUCKER or if SAM, myself, KLEINMAN, MC GINTY, WILBUR, or any par of them decided they wanted to sell out, you know what I would do if I were GEORGE, I would go to Cleveland o Chicago and let them buy it. They have the (?) here a the Riviera. They feel they don't need nobody and may they don't. They have a right to feel they don't. If it's just my share, I would insist the corporation buy me out. I would like to feel that I helped all of the fellows. I'd like to see one or two points go to Stardust Hotel), but this would have to be done at the discretion of the other people. When I leave, I'd like to feel I'm welcome to come back here when I want. I do not feel obligated to confer with MC GINTY and WILBUR, but I do feel I should talk to SAM, MORRIS, GEORGE, and all of our fellows. I will let the others know later what I am doing. We have had little lumps like this EDDIE FISHER thing and that kind of (Obscene), but that come with the gain. If I die, be in good shape.

GEORGE that definitely. Well bore's another problem

If MORRIS KLEINMAN, WILBUR CLARK, or TOM MC GINT

book about me. I am going to be the star. I have never done time, never been convicted of anything, indicted only once and that was dismissed, and my Army record is good. Now this guy is going to make a character out of me and there is nothing I can do. If I lay low and pass out of the limelight, things may cool off and pass over.

TUCKER: I admit I don't have the knowledge to carry the hotel 100 per cent. I'm not kidding myself, I can't fill it and that's all.

The above information is self-explanatory is most respects. It would appear the criminal organization in Chicago, headed by SAM GIANCANA, has put pressure on the Desert Inn to get EDDIE FISHER for a three week engagement at a syndicate owned hotel in Chicago, possibly the Sahara Motel. FRANK.

SINATRA has acted as intermediary, as has of the Desert Inn and

is apparently the Chicago representative at the Desert Inn and as such is acting as liaison between GIANCANA and the Desert Inn group. The substantive case on will be reopened in the Las Vegas Office for further investigation.

Previous information has indicated GORDON was a collector for the Desert Rnm, but in view of the above information it is apparent he has a personal interest in the hotel. This interest is probably either represented by one of the present licensees at the Desert Inn or GORDON is possibly the representative of a third party who is an undisclosed interest holder and resides outside the State of Nevada. Miami in origin in the Lage on GEORGE GORDON and this case is presently under investigati

Information copies have been designated for various offices in view of references to individuals residing in these territories or references to individuals in whom these offices have an interest. It is noted that in addition to GORDON, TUCKER, MORRIS KLEINMAN, and T. J. MC GINTY all reside in the Miami Division.

Chicago is requested to furnish its observations and any additional information regarding the forthcoming appearance of FISHER, to Chicago. Following the appearance of FISHER, consideration could possibly be given to interviewing FISHER and his if this can be done without jeopardizing its vegas source.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

PLC.

Annroved.

FBI

Date:

Per

10/9/62 PLAIN TEXT Transmit the following in ___ (Type in plain text or code) AIR MAIL AIRTEL (Priority or Method of Mailing) DIRECTOR, FBI (92-3068) OT SAC, LAS VEGAS (92-461) (Sub 1) FROM MORRIS BARNEY DALITZ, aka SUBJECT: AR OO: LAS VEGAS The following information, which was furnished by is a continuation of the conversation between subject, GEORGE GORDON, and SAM TUCKER which was furnished to the Bureau by airtel dated 10/4/62. This meeting took place at the Desert Inn Hotel on 10/2/62. If we can rearrange ourselves, how much do you think DALITZ: WILBUR (CLARK) should have - he has 16 points now. (CLARK is presently an owner of record of 17.2 per cent of the Desert Inn Hotel.) MOE, I don't know. In order to make him feel comfortble I would say, look here's what we're talking about, here's what we're going to do with ourselves and we expect you to come along with us for a portion. if utilized, should be Information from efully paraphrased in order to further protect the identity of this source. This information is not to be disseminated without Bureau authority. FX 112-Las Vegas 3-Bureau (R.M.) (1 - 92-461 Sub 1)2-Cleveland (R.M.) 1: OCT 12 1952 (1 - 92 - 461)1-Cincinnati (Info)(R.M.) (1 -2-Detroit (R.M.) 2-Louisville (R.M.) 1-Missi (Info) (R.M.) Z-493 RUBY KOLOD) 2-640 SAM TUCKER) 92-706 Stardust Hotel)

Sant

DALITZ: Now wait a minute - He asked me 18,000 times and I didn't tell him about the Stardust. - How many points do you have and how many points does he have at the Stardust? So he went and checked himself.

TUCKER: How did he check?

DALITZ: Well, whoever is there must have told him.

GORDON: Well they don't know exactly what they got. They're carrying 22 a piece. (It is noted that KLEINMAN, DALETZ, and MICCKER are all owners of record of 22 percent of the Stardust Rotel.)

DALITZ: I don't even know, but he keeps asking me all the time.

GORDON: The reason I'm bringing that up is he's going to reduce

him down to the point over here.

GORDON: Another reason I'm bringing it up is that if you're going to reduce him down to what you have here, he may be entitled to come back and say, well why am I not equal over there. (At the Stardust.)

TUCKER: It's not a matter of right or wrong but how much work does he do there.

DALITZ: Listen, you guys have been the best partners - what the hell, WILBUR is a very wealthy man. Let's say that we want to give

- let's say that we want to live like he does.

I'm going to go to him and I'm going to say to him,
WILBUR, I want to live like you, but I can't leave this place. Listen, you got 16 per cent, either you put in all your time here, which I know you're too sick and shouldn't do, or we're going to take off of this to hire

At least if you can't be active we're entitled to put a man in here to help out.

DALITZ: You're right on that.

DALITZ: All right let's say we do it that way. What would be the arithmetic?

DALITZ: It's just a matter of degree, but we have got to recognize the top people and give them more points.

TUCKER: You look down the line and who are your important organization people. Name them. You know I love

TUCKER: Now wait a minute. I want saying you have to give BOBBY - I don't think the would care one way to the other, but I want you to know one thing about To me he is the backbone of that whole casino. We would be lost without him. He uses his head, not like the has everything at his fingertips.

DALITZ: We're trying to strengthen our organization and we're reshuffling our organization. We're trying to fix it up, we're not trying to strengthen it sentimentally. You know what I mean SAM.

DALITZ: We don't know what the future holds. We may have to do something for tell you another thing, you know

in the job that he does has to spend more money personally than and

squeezes a buck until it (Obscene).

DALITZ: Kaybe we feel and are in such a position that they should be given a raise because of their additional expenses.

DALITZ: He is a long ways off. He is five years off.

GORDON: You have got to think of

DALITZ: You are going over is the best man over there Stardust Hotel). He is a nell of an organization man. He's the best man in the joint.

DALITZ: Possible we took three points for Would that be big income for him? That would be about 3600 (probably a month) and then we may want to do something for him across the street (at the Stardust).

GORDON: (Obscene) you are embracing this man before he ever starts to work.

I'll tell you why I'm a little worried about putting DALITZ: him on the payroll (?).

Over there we'll use a salary check then adjust it some. DALĪTZ:

DALITZ: No, I don't want him on the license. What would his salary be, about 25,000 a year. He's got to have a minimum of 50,000 a year total. There's one thing, if he is going over to the Stardust too, I don't want him

to think that is a stepchild to us.

DALITZ: I would say this, if it's one point or a salary, he should know because we're going to open ourselves up to him when we give it to him and don't put him on

the license.

TUCKER: We don't want to mess with the license, which might

be hard to explain.

DALITZ: What we are going to have to do is have a meeting up here of the partners every month. Even if we have nothing to discuss, it will keep us close together. Don't you think it would be possible to work out a deal with even M

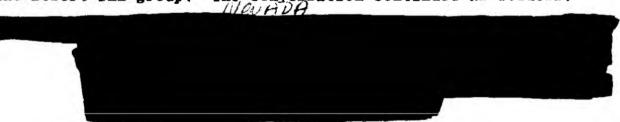
if we have to give nim/two points. Then any side commissions he gets he would have to put them back

in the pot.

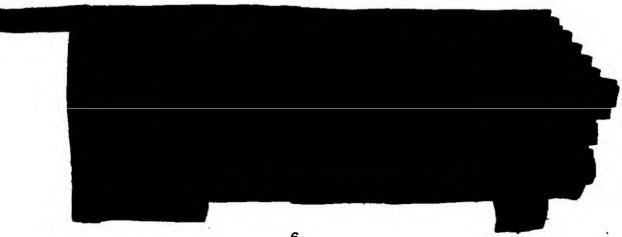
The above conversation is self-explanatory in most respects. The partners in the Desert Inn and Stardust Hotels are considering bringing

into the organization and giving him three points in the Desert Inn Hotel and also possibly an interest in the Stardust Hotel. They are also considering offering two points in the Desert Inn Rotel in exchange for the service he has been two points in performing in the past. It is again noted that there is no relationship between the points which are actually on the record and the points which are actually owned by the partners and other individuals connected with the Desert Inn. It appears these points are passed around indiscriminately without making necessary changes on the license as required by state law. There appears to be some hesitancy about bringing into the organization be some hesitancy about bringing the state of the organization since it would be necessary to entrust him with certain information, probably skimming operations at the hotel. WILBUR CLARK, president of the Desert Inn Hotel, as has previously been reported, appears to be definitely on the outside and has no active voice in the hotel's operation. However, it does appear that with 16 points he is still the major single stockholder. By taking three points from CLARK he would be reduced to approximately 13 points, which is the approximate amount owned on the record by DALITZ, TUCKER. KLEINMAN, and RUBY KOLOD.

Following the above conversation an individual entered the room who is believed identical with Ohio, who has been a long tame close associate of run group. The conversation continued as follows:



GORDON: What is there maintenance there -



GORDON: Yeah.

TUCKER: I wasn't there when they made that loan.

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GORDON: There's only one thing that - first of all from a real estate value you have 2000feet on Alexandria Pike.

They just put in a new road, which gives you another 2,000 feet on the other side. There are some good home sites

in there.

DALITZ: But you'd have to have a developer do it.

DALITZ: I'll give you 35,000 for that.

FUCKER: How would it appear for former owners who sold out in

Wich and such a year to now come back and buy the

<u>-</u>.

property.

DALITZ: These guys pleaded guilty, SAM, and they are on probation

for two years. Do you know what IRS and the FBI would do. They would come and say, where is GEORGE getting his money to put in his house and who are his partners in the Decert Inn. Now what the hell, would say, "Sure all the wops in the world are partners out there."

What the hell good are they going to do.

br

GORDON: What haspemed was they opened the door. Well can't stand up like me. I don't let them in the nouse. He told them to sit down. He couldn't stand there in

the ha'l so he let them in the apartment.

TUCKER: Who advanced the 131,000?

DALITZ:

Shouldn't we talk this over with MORRIS (KLEINMAN). I think he should be in on it because now there is the angle of coming up with this money. The reason I asked that question, AL, is that at 2:00 PM I have another meeting and have got to leave. I thought there was something you wanted to talk to us about that didn't involve MORRES. If we got to talk this all over again, we might as well wait until tomorrow. MORRES will

have to have his pose in it.

TUCKER: When will he be here?

DALITZ: He left Mlami this morning.

GORDON: He'll be in about 5: 5 this evening. He's taking the

flight to New Orleans, Houston, and then here.

DALITZ: JAFFE (WILTON, cashho manager, Stardust Hotel) talked

to him.

(Obscene) he a coming out for something else. GORDON:

GORDON:

Do you know what he told me. He said maybe MOE doesn't

want me to use our connections.

DALITZ:

won't cover on that real estate deal in New York he has dealing with every TOM, DICK, and HARRY back the second told him to lay off, but he would you have

not listen. When you are dealing with a

got to play it straight.

TTICKER: When did MORRYS get the money?

DALITZ:

I assume he got it in currency. He's going to show too much currency at the end of the year. will find out these real estate guys had it up for

sale for 100,000 less than MORRIS paid for it.

He better watch out for those sharpies in New York. TUCKER:

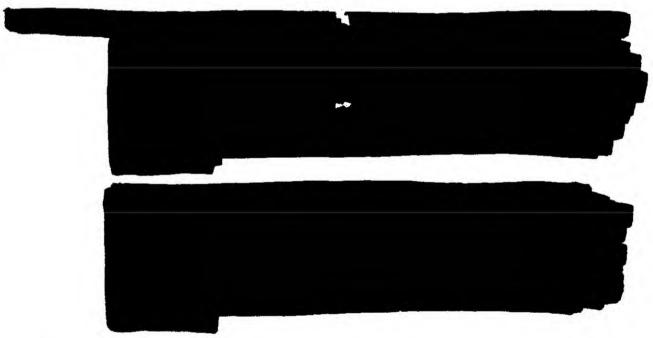
The conversation then turned to property apparently owned by the group in Cleveland, Ohio. The conversation continued as follows:

TUCKER: You know we sent a check up there. We put in 100,000 together on a loan. So I gave a check and MORRIS gave a check for 6875.

DALITZ:

I had a chance to Letter to and #Dhale wouldn't let me. He said, look, we had some land in Tucson and the guy became a millionaire from it, and we had land in Ft. Lauderdale - I said, you don't guess right all the time.

TUCKER: MOE you are using hindelight.



DALITZ: How could 100 get it?

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DALITZ: If 100 buys it all out where are we. How much have

we got in this thing?

DALITZ: What would be do if he bought it?

DALITZ: Why don't op g-* and brake it over. He almost did

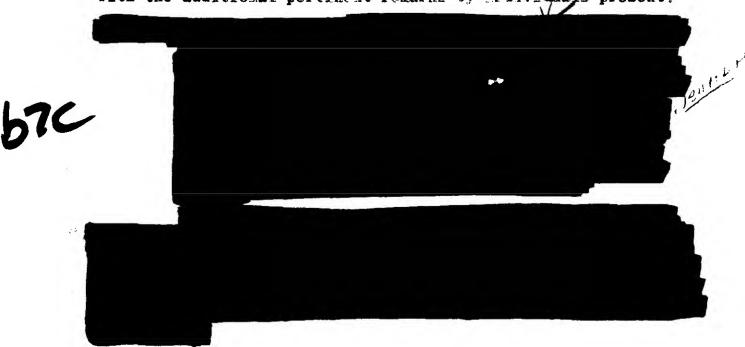
once before but the intermat not fulle right.

TUCKER: If we sold out for 340 000 would we get anything back?

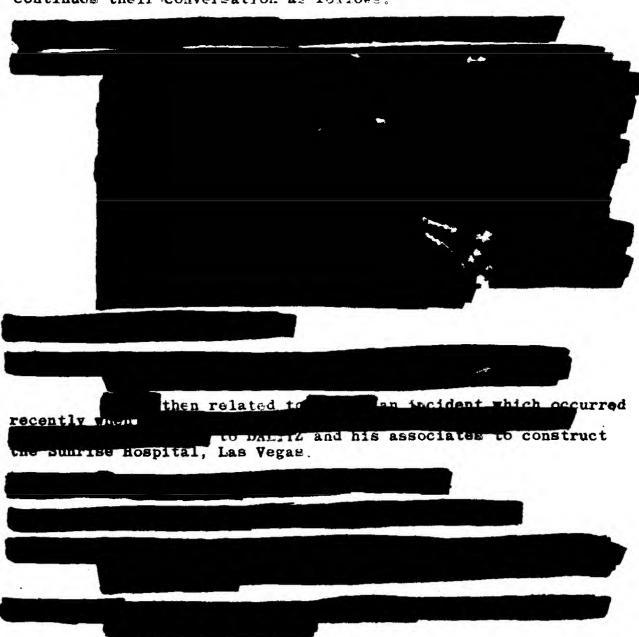
DALITZ: We would all come out ever and it would help for tax

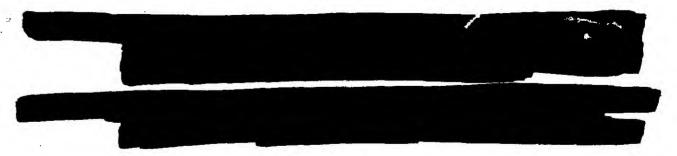
purposes.

advised further regarding the matters in Beverly Hills, Kentucky and Cleveland on 10/3/62. The same individuals were present at this time in addition to MORRIS KLEINMAN. The discussion followed the same general pattern, with the additional pertinent remarks by individuals present.



These individuals all left and short item later had a brief conversation with the conversation with also briefly discussed the situation in Cleveland and kentucky as it applied to DAIMI and his associates and then continues their conversation as follows:





The above conversation relating to the property in Beverly Hills, Kentucky undoubtedly relates to property on which a closed casino is now located. This would be a casino in which GORDON. DALITZ, and the others previously had an interest. It is attempting to work out an arrangement whereby this property can be taken over for the mortgage and the money the present owners have tied up in the property.

b1C

Las Vegas has no additional information regarding the matter relating to MORRIS KLEINMAN and the possible purchase by KLEINMAN of property in New York City.

DALITZ and his associates apparently have an interest in an ice arena located in Cleveland, Ohio. Cleveland is requested to check public records regarding this establishm ut and furnish Las Vegas with any additional information contained in Cleveland files regarding individuals referred to by

Detroit is also requested to further identify and secure background information on named individuals who reside in Detroit.

By airtel to the Director dated 10/4/62. Las Vegas requested Louisville to attempt to identify who apparently has an interest in the Stardust Hotel, Las Vegas. It appears now that grouper Gordon's and that he has recently and his name is either (Phonetic). Louisville is requested to attempt to identify this individual.

It is significant that indicated he maintains a double entry set of books on DALITZ and others. It is not known if he actually maintains two sets of books or if this is the type of bookkeeping method he utilizes, but the conversation it appears he actually maintains two sets of books.

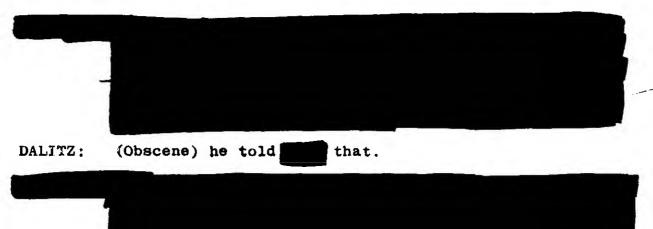
Later on 10/3/62, the manufactured briefly with referred to above and discussed with him the possibility

accepting two points in the Desert Inn Hotel in exchange for the services he has previously performed. Pointed out to that he now makes approximately \$40,000.00 a year and if TALLIZ and his associates gave one point in the Desert Inn and one point in the Stardust Hotels, it would be worth approximately \$36,000.00 per year. This would be in addition to his salary. However, he would be expected to return all of his commissions to the hotel. Was noncommittal and made the observation that he would propagly make more money if he had the points and the salary but he would also be tied down.

indicated that one point at the Stardust Hotel at the Desert Inn Hotel and one point at the Stardust Hotel would be worth a total of about \$36,000.00 per year. Since the hotels do not declare a dividend it appears approximately \$18,000.00 per point is taken off the top each year from each hotel. Over a year's period this would amount to a total of approximately \$1,800,000.00 taken illegally from each establishment.

b2 b7C Later on 10/3/62, and advised that met briefly with the informant and DALITZ at the Desert inn Hotel. They discussed Nevada political matters and indicated that each member of the Nevada Hotel Association was going to give

him an additional \$2,000.00. Their conversation then continued as follows:

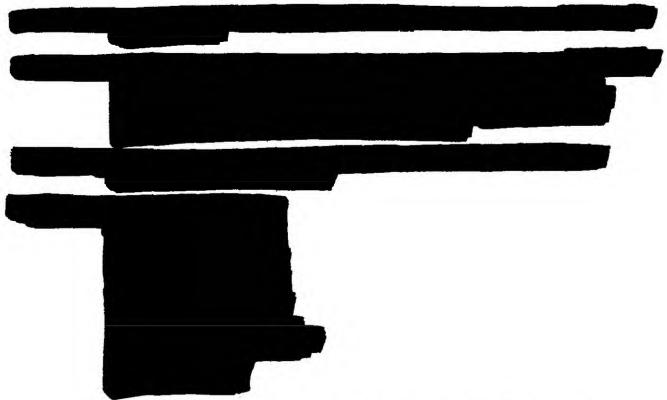


DALITZ: That he would want to be on it?

advised further on 10/3/62, that later on this date two individuals believed to be and possibly and recorded figures on sheets of paper. These two individuals were not in the immediate presence of informant and statements made by them were frequently out of context and with repeated references to the figures on the sheets of paper in their possession. As a consequence no effort has been made to reconcile the following figures. Their general conversation, with numerous breaks and interruptions, was as follows:



The two individuals in the room then added up various columns of figures and apparently wrote additional figures down on sheets of paper and then checked these figures back and forth with each other.



Additional names were repeated at this time, however, informant was unable to distinguish these names or the amounts they were to receive.



The above activity took approximately one and one-half hours and the two individuals counting the money had considerable difficulty making their figures balance and deciding who was to receive how much. Since this activity occurred outside the regular counting room and behind a locked door, it probably represented money taken "off the top" and distributed without accounting for the money for tax purposes.

The \$2,500.00 for JACE BENNY was probably money paid "under the table" to BENNY since he just completed an engagement at the Desert Inn and informant has previously reported that it is the practice of the hotel to pay money under the table to well-known entertainers who are in a high income tax bracket.

DALITZ contributed for the church in Detroit, which money was solicited by Details regarding this incident have previously been reported to the Bureau.

closed them in any matters coming before the

It is noted that in one place \$5,000.00 is designated for Chicago and in another place 35,000 is designated. Informant cannot explain this unless Chicago gets 5,000 from the Desert Inn and 35,000 from the Stardust or \$35,000.00 total.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

FBI Date: OCT 4 1962 Transmit the following in ___ (Type in plain text or code) AIRMAIL AIRTEL (Priority or Method of Mailing) DIRECTOR, FBI (92-3068) TO: FROM: SAC, LAS VEGAS (92-461-Sub 1) MORRIS BARNEY DALITZ, aka. (00: LA) advised on 10/2/62, that subject, TUCKER, GEORGE GORDON and together at the Desert Inn Hotel in Las Vegas, Nevada. DALITZ, TUCKER and are all principal stockholders DALITZ, TUCKER and of the Desert Inn and Stardust Hotels and GEORGE GORDON bes been a close associate of this group for many years. and apparently has some interest in the Desert Inn and/or NEVADA Stardust. FX 113 (phonetic) I set in his office when DALITZ: called him to ape if they could make 3) - Bureau (RM) (1 - 92-21) (JOHN DREW) I - Chicago (Info)(RM) (1 - 92-640) (SAM TUCKER) (1 - 162-11) (GRORGE GORDON) - Cleveland (RM) - Detroit (Info)(RM) (1 - 92-362) (WILBUR CLARK) - Los Angeles (Info)(RM) - Louisville (RM) - Miami (Info)(RM) - 82-455) (MUDI MOLUU) (1 - 92-467) (JOHN ROSELLI) San Diego (Info)(RM) (1 - 92-308) (SAMUEL GIANCANA) as Vegas. (1 - 92-707) (DESERT IM HOTEL) (1 - 92-706) (STARDUST **E**OTEL) Approved: Sent _

Kag bara

DILITZ: You see he isn't the same we know. I lived down there awhile and he's a different man.

DALITZ: He is a smart guy and a hard worker. He has done some pretty nice little tricks for us. I'm not knocking the one pointers but the idea is that we can replace them. Now

hasn't given us 20% of his time up tri now. How could he, with the Moulin Rouge in Los Angeles? He lost money on that.

DALITZ: He held me on a string for 15 years and he didn't do anything.

DALITZ: Now in the reshuffling I would give him one point .

DALITZ: We would be better having him work directly for the organization.

DALITZ: I'd like to change his deal so he's a partner and still let him make as much as he is making out of his commissions. I'm talking about making him a deal just like

DALITZ: about I don't feel like we'll get him. It may take time because he may

start out a few days a week.

DALITZ: How many points has

got?

DALITZ: That's just about what

should have.

DALITZ:

We should get together and by cutting outselves down and cutting WILBUR (WILBUR CLARK), give him at least 3 points. There is no problem how many points. How

many points do you have?

TUCKER: 16, I think.

DALITZ: How many does WILBUR have?

DALITZ: Yea.

DALITZ:

Now let's analyze our one percenters. We will have to all go over this again with MORRIS when he comes in MORRIS KLEINMAN). There are two kinds of one percenters in this place. You got

Do Lander

control lose i to o customers but I think guys like are more valuable to us

NEVADA

TUCKER:

Each is good in his thin wight makes out

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DALITZ:

What I'm trying to evaluate is this. They all seem to be satisfactory. What do you think GEORGE?

GORDON:

I have never sored any rumblings.

DALITZ:

GEORGE, do you know who the big problem is here? You are the big problem - not that you mean to be.

GORDON:

I told you yesterday that everything that happened to me was my fault but this is everything I've got to depend on. Everyone else ended up with outside interest but me and RUBY.

DALITZ:

RUBY? RUBY has no outside interest? He's made a (obscene) full of money around here.

GORDON:

You misunderstand me.

DALITZ:

Well, you're in with him.

GORDON:

No, I've got nothing to do with that. The only thing I was in was Silver Creek and that was a bad deal.

?

DALITZ:

You mean all of these real estate deals you don't get in?

GORDON:

He invited me in. I didn't have the money and he said I'll lay it out for you but I wouldn't accept it. You know that WAM. I ain't got nothing to do with any of that.

TUCKER: No?

Then why can't I make some kind of provision that DALITZ:

helps you? Am I right SAM?

GORDON: If it's a gambling deal or a side deal or something

like that

DALITZY I'm looking for something for you without doing any-

thing wrong.

GORDON: I understand.

DALITZ: And I'll find it SAMBO. I'll find it.

While we're on the subject of RUBY (RUBY KOLOD) for GORDON:

five minutes I'd like to talk about him. I want

there to be harmony you know

DALITZ: I want there to be harmony too.

I might get the works because of RUBY because you GORDON:

feel that way about him on account of ROSELLI (JOHN ROSELLI). Him being close to ROSELLI is partially

my fault which I think SAM knows.

DALITZ: What's the difference, we take the fifth anyway.

CORDON: We didn't have to be seen with them.

I was seen with them but I didn't think it was a good DALITZ:

idea to the everybody in the mob up. Even if there

is no investigation it don't look good for our

customers and BOSELLI and a whole gang of guys who

no good sitting there.

GORDON: You try to protect them from the heat MOE but they

don't care how much heat they bring you.

DALITZ: I try to protect them as an accommodation.

GORDON: This is the type of guys they are. They have

created a lot of talk that MOE is avoiding so and so. So I said to RUBY, "Listen RUBY, if I happen to be in town and those guys are here I'll kibitz with them and I'll take them out but you talk to them. Someone has to talk to

-

them about this thought that we are avoiding them.

TUCKER: I was thinking of those Detroit guys I see around

here (probably referring to

Bt A1.).

DALITZ: They want to move in and we can't have that.

PALITZ: I don't want to make an issue of ROTALI. I see ROSELLI and I talk to him but I just don't think we should get married and this is the type of guy you can get married to. He's been giving everyone around here orders.



DALITZ: We didn't want him in there. We've got real men.

Then he went to MOONEY (SAMUEL GIANCANA) and he said we were using the Stardust for a personal thing.

That's all MOOMEY needed.

GORDON: MOONEY told me about it.

DALITZ: Did he say that even his own partner . . . ?

GORDON: So I said to MOONEY, "Listen, I don't know about this

deal but I'll bet you that NOE is doing the right

thing."

DALITZ: Do you know how many times we went over this to make sure it was all right? I called in JOHNNY DREW. I called in everybody. Now MORRIS went all around the place and they took the cream and gave it to (obscene). Now let me tell you something, SAMBO, how long did we own this here golf course? Eleven years? Ten years? (Desert Lin Golf Course). We haven't filled up all the lots yet and we only ited \$0. We are not in the real estate business.

GORDON: At that time we had to capture the money back that we paid for the land and if we came out even we were happy. My unly income is what I get from here. The only thing I tried on the outside I tried myself and it went down the drain.

DALITZ: GEORGE, your duties and your work for our orgenization have been becoming nore important and I'll be a (obscene) if we can conceive between us why you can't improve your situation with us. We are going to do it but you cannot throw this in any pocket. And listen, we are not going to do this undercover. This is going to be open and above board. We have got to do it that way.

GORDON: I don't know about the reaction.

DALITZ: Reaction or no reaction we are going to help you.

First of all you are taking the rap for RUBY.

Maybe you did feel the way you did about someone mixing with these fellows. I can see the logic.

I remember when I was doing all the mixing for many years. I couldn't get him to budge. I kept everybody away from him because of the Cincinnati angle. You know how hard it was to keep everybody away from him. You remember living down there and his whele mind was that thing, SAMBO. Now look at RUBY, his actions would have been the same even if that wasn't the

GORDON: If I came to you as an outsider and I'm beefing - what the hell you going to think of me MOE. Take MORRIS for an example.

DALITZ: A hundred times I've seen these people and when

I walk over close they stop talking.

GORDON: No outsider can speak to him about me. This hurts me more than anybody. The fact that there's fighting amongst us. I brought out an instance yesterday with you MOE. Tou know that argument you had with that (obscene) in Florida? You never said nothing to me

the way he talked.

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GORDON: I was thinking about WILBUR.

DALITZ: We have had one headache after another with this gay.

Here is what I thought we might do. I think WILBUR should be cut down to whatever we're going to wind up with. I think we should cut (phonetic), unknown. We're going to cut down one more point.

GORDON: You had a good idea about JOHNNY (DREW). He shows up when he wants to just as he pleases. If he is off the payroll I think he will break off.

DALITZ: Why should this guy be getting 3,000 a month for doing nothing?

DALITZ: With all due respect he is a very sick man. I'll tell you one thing, it will make WILBUR mad (to cut down his points). We will just tell him we are readjusting and that's all there will be to it. I want WILBUR cut down and I want to get or somebody like him and give him about three points. How many points you got

DALITZ: Well, you should have at least that.

DALITZ: How many does BERNIE (ROTHKOPF) have?

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GORDON ?: We got about 14 (records reflect RUBY KOLOD has 13.1 and GORDON is not on the license. GORDON possibly has his points with KOLOD.

TUCKER: Does got any?

GORDON: No, not here but anything I got over there that was open I cut in as a partner. I made him a full partner over there.

DALITZ: What? Over here got two. Don't put with any changes I make. If you, GEORGE, and all of us feel we got a chance to get him more of that. Do you understand what I mean?

GORDON: Yea. Regardless of what you gave him from here he should have been shown as automatically with those one point guys. You know when everybody got a point there (at the Stardust).

GORDON: No, he didn't get that one like everybody else did.
What you want to give him is your business. Do you know what I mean? When you originally opened up this ten and two was taken away.

DALITZ: You mean we should have given him another point at that time?

GORDON: Yes.

TUCKER: The 8 points he's got he got from you fellows.

GORDON: We got 8. We gave him two so he has two points.

GORDON: Definitely not. is satisfied. You got Desert Inn

Hotel; and
who is presently working at the Desert Inn) here to.
You've got to consider them as part of us now,
whether they are anymore or not I don't know.
is an owner of record of 5% of the Desert Inn; however,
has no points on the record).

DALITZ: How much has got?

GORDON: got 22 and he gave of the Ectel) one-half point.

TUCKER: No, they got 5 between them. They got two apiece and has got one.

GORDON: That's right, they each gave consone-half a point.

should have been that way from the beginning.

he should have had that one point like everyone else.

TUCKER: I remember MORRES (KERINMAN) was the one who did that. He did everyone wrong.

GORDON: Do you know what he said to me and RUBY? He said you can do whatever you want. You can give one and you can give one.

TUCKER: MORRIS says he was going to take it out of his end but what he did was take it away from us and cut it up. It was supposed to be for the one pointers but he put it on top.

GORDON: He put it on top and locked it up you know.

TUCKER: And I don't think you even knew to this day how it works.

GORDON: That's right. Then he says you guys that got 8 you do whatever you want with them. If you want to give one or the come go ahead. We got 8 and cut it up four ways but he should have had not on with the other guys that went in as bosses for one point.

DALITZ: All right, I'll adjust that.

TUCKER: You can adjust that back there without bothering this here.

GORDON: There's no trouble at all about that.

DALITZ: Now you got this to think of. If you make any moves over there the other fellows will think that we are showing partiality and being unfair to them. I have been very careful. I have given their people every break in the world.

GORDON: I don't think there is a problem. You only have two people to consider over there as far as your group and they are MILTON and

DALITZ: But what we give the others they are entitled to know.

GORDON: Well, I wasn't thinking along those lines unless you were.

DALITZ: We've got to straighten this out. How's (unknown) getting along for a man that's sick and everything?

TUCKER: Sure, he's tickled to death. I just made an oil deal for him and he's getting 2,000 a month. He couldn't show no income. You know that deal. He tried to buy that deal for 30,000 on top of . . . He don't know what he's doing so I got shold of onto) and I told nim don't let him do it. So I had to get him an income.

DALITZ: If we make some changes there's nothing going to affect (identity unknown).

Look MOE, why don't you think this way? In this TUCKER:

reshuffle why don't you figure out in your own mind

what would satisfy these people and then see what

you can do. V NEVADA

DALITZ: We gave

a point. Remember 11, we gave 11 to Lim over there. Now he's at the Desert Ing and also the Stardust. Now I don't know that it's necessary but at least we should make some provisions for in the future and maybe give him a point here. I dange feel we should do it now in the reshuffling. at either the Starduse or Desert Inn). You know what you got to do We've got to reshuffle this thing until all these prints are the way we want them and

when the proper guy comes along we'll be in a position to give him some points. I want WILBUR out down to our size. I don't think

is entitled to a point. For can set your clock by him when he comes in and goes home. The joint can burn down at 9:15 and he is no where around. I want to adjust and I want to put on a strong man

like

GORDON: You know a guy like MORRIS is going to beef like hell

if he thinks he's going to lose a few bucks.

But your idea MOE is to give more points to the TUCKER:

people who are actually operating the place. It

gives them more incentive.

I want to hold it to. I don't want to give it all DALITZ:

away. I want to make sure that we get the right

yield for these things.

Go ahead and round it out, it's all right with me. TUCKER:

Well, SAMBO, maybe before GEORGE goes away we ought DALITZ:

to sit down with a pencil and make a skelton draft of

what we want to accomplish.

TUCKER: Now there are the guys we are really talking about

JOHN (probably JOHN DREW),

and TOM McGINTY. Is there anyone else?

DALITZ: I don't think so.

TUCKER: Now you want to take from each one of them what

you had in mind, is that right?

DALITZ: On this 16 points he claims he's got partners in

that.

TUCKER: No. he had 25. No he doesn't.

GORDON: He had 25 of which his brother had some and

some (probably referring to WILBUR CLARK).

TUCKER: Four. two and two is right and he got the wild

(identity unknown) point for him

so he's got ten.

ORDON: I thought he had 16. Now maybe it's 17.

LUCKER: See how much money this guy made. Sold his phony

stocks to all our customers and all the (obscene)
he pulled around here. Listen, he got 15,000 from
I bet you he didn't get a nickel

back. Andove probably relates to activities of RUBY

KOLOD). CALIF

DALITZ: gave me a present of 15,000 from San Diego

from Caliente.

TUCKER: You know RUBY got involved with a million things.

GORDON: Who's

DALITZ: He owns a race track and now he owns the Coronada

Beach Hotel.

TUCKER: You know RUBY made these friends here with our

facilities and he capitalizes on them personally.

He's got deals with all our customers with

GORDON: What kind of deals?

TUCKER: Mostly stock, he made a lot of money.

DALITZ has indicated he desires to dispose of his interest in the Desert Inn Hotel. The above conference appears to relate to new personnel who are being considered for the organization. The above group also concern themselves with the reassigning of points in the Desert Inn and Stardust Hotels. As noted, the point distribution as it appears on the hotel licenses, has no relationship to the actual point distribution. Several of the actual point owners are not on the license at either establishment and cannot be licensed because of their past criminal record.

In the above discussions the Desert Inn and the Stardust appear to be considered separately and the general discussion indicates the Stardust is run generally by and for a group other than the principal licensees. GEORGE GORDON, along with RUBY KOLOD, and possibly MORRIS KLEIEMAN, seem to be primarily associated with this group.

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The dispute which arose regarding the Stardust Golf Course avidently arose when KLEINMAN advised SAN GIANCANA that DALITZ Et Al., were operating this for their own gain. It is noted that a separate corporation has been formed by DALITZ and his associates for the purpose of constructing homes adjacent to the golf course. KLEINMAN has not been included in these special projects.

DALITZ was criticized by GIANCANA for certain decisions he made in connection with the golf course and it is noted the course itself has continually lost money. These comments give further credence to the belief that the Chicago group has considerable influence if not almost complete control over the Stardust Hotel.

referred to above, is unknown by Las Vegas and Cleveland is requested to attempt to identify him since he is an associate of the land. The cleveland of the land o

is also unknown but he is possibly from the kentucky, area. Louisville will attempt to identify

Information from if utilized, should be carefully paraphrased in order to further protect the identity

of this source. This information is not to be disseminated without Bureau authority.

DALITZ SECULD BE CONSIDERED ARMED AND DANGEROUS.

UNITED STATES GOVE MENT

$\it 1emorandum$

Mr. Belmont

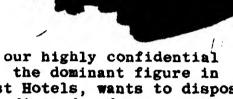
DATE: October 12, 1962

FROM

C. A. Evans

SUBJECT:

MORRIS BARNEY DALITZ ANTI-RACKETEERING



Belmont _

Mohr .

Trotter Tele, Room

Holmes

Recent information received from our highly confidential sources in Las Vegas indicates that Dalitz, the dominant figure in the operation of the Desert Inn and Stardust Hotels, wants to dispos of his interests in these hotels. He has indicated a desire to "lay low and pass out of the limelight" in the hope that "things may cool off and pass over."

Dalitz, who is now 63 years of age, came to Las Vegas from Cleveland in 1950, along with a number of his long-time associates in illegal gambling and prohibition era rumrunning. This group included Morris Kleinman, Samuel A. Tucker, Thomas McGinty Cornelius Jones, Ruby Kolod and rnis group made available the runds which enabled Wilbur Clark to complete construction of the Desert Inn Hotel and Gambling Casino. Dalitz and his associates to k over this hotel, and even though Clark is listed as President, he is strictly a figurehead, having little voice in the operation of the hotel.

and Tucker have recently had lengthy discus-Dalitz. sions concerning a possible successor to Dalitz. Foremost seems to be for Dalitz and the Desert Inn. and has been described by DaPrtz as a "smart guy and a hard worker." The consensus of opinion was that were to be brought into the operation, it would take . between \$75,000 and \$100,000 per year. To accomplish this ceach of the top owners, and primarily Wilbur Clark, would have to Enduce their interest percentage in order to offer a percentage a percentage which would equal this figure.

In addition to the "heat" and pressure from the Entensive investigations, Dalitz and his group are apparently at frequent odds with the Chicago organization of Samuel Giancana. Several reference were made to the actions of John Roselli, who has "been giving everyone around here orders." Roselli has long been known to be a front man REC-60 92-3068-340 in Las Vegas for Sam Giancana.

E1:100

5 1 OCT 26 1967

cc To MA. Tolson

Memorandum to Mr. Belmont Re: Morris Barney Dalitz Anti-Racketeering

There has also been conflict with the Chicago group which evidently arose when

Dalltz was, thereafter, criticized by Giancans for certain decisions he made in connection with the golf course which has continually lost money.

In addition to the above, Dalitz also indicated that

He indicated that one of the prime reasons for this diffi-

Dalitz indicated also that

was going to write a whole book about Dalitz. Dalitz expressed extreme displeasure at this prospect, indicating he had never been convicted of anything. Dalitz, and anything and Tucker indicated that until all of these problems were solved they planned to meet with all the top owners at least once a month. In view of this our highly confidential source at the Desert Inn should be able to keep us currently apprised of all pertinent developments.

ACTION

This extremely sensitive source is cated in the Desert. In office of Morris Barney Dalitz. It is beginning to provide us with an insight into the hoodlum control over the Nevada gambling industry. We are carefully evaluating all information received as it applies to our efforts to penetrate skimming and undisclosed interests in the Nevada gambling industry.

And Shink

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PE	RIOD
LAS VEGAS	LAS VEGAS	10/19/62	9/15/62	- 10/17/62
TITLE OF CASE		REPORT MADE BY		TYP
WORRIS BARNEY	PALITY aka	CHARACTER OF	CASE	
BURRIS BARRET	DALITZ, asa			
of fact.		AR		
/				
REFERENCES:				
Las	Vegas report of	SA	dated	i 9/18/62.
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INFORMANTS:				
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LV 92-461

LEADS:

LAS VEGAS DIVISION

AT LAS VEGAS, NEVADA

Will follow and report activities of subject.

Additional leads have previously been set out to individual offices by separate communications.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

10/15/02

Office: Las Vegas

Field Office File No.: 92-461

Bureau File No.: 92-3068-34/

Title:

MORRIS BARNEY DALITZ

Character:

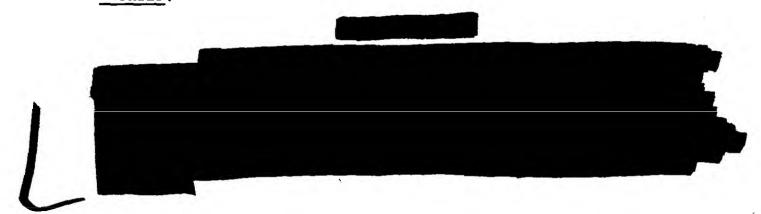
ANTI-RACKETEERING

L

b2 47C has been put on DALITZ and his associates to secure the services of MDDIE FISHER, entertainer, for a hoodlum controlled club in Chicago. DALITZ has indicated he intends to sell his interest in the Desert Inn Hotel. Informant has advised that one point of the Desert Inn and/or Stardust Hotels, Las Vegas, is worth from \$15,000 to \$18,000 per year. In excess of \$100,000.00 per month is distributed illegally to DALITZ and his associates from hotel proceeds. Subject was recently in Europe where he is having a yacht constructed. The Desert Inn Hotel is supporting most of the local political candidates. Business interests of DALITZ and associates set forth. SUBJECT SHOULD BE CONSIDERED ARMED AND DANGEROUS.

- P -

DETAILS:



LV 92-461

ILLEGAL ACTIVITIES

Advised in late September, 1962, that DDIE TISHER, Well-Inown entertainer, was scheduled to appear at the Desert Inn Hotel for four weeks beginning the first of November, 1962. SAMUEL M. GIANCANA, who is the head of the Chicago criminal element, and his associates are also reopening the Villa Venice supper club in Chicago at approximately the same time. They desire to build up a good financial picture so they can resell the establishment at a profit after operating for a brief period.

b2 57C GIANCANA made it known to DALITZ and his associates that he wanted FISHER, SAMMY DAVIS, JR., FRANK SIMITRA, and DRAN MARTIN to appear at the Chicago establishment following its opening. Since the Desert Inn had a contract with FISHER, GIANCANA sent word that he would like FISHER to appear in Chicago From November 1 to November 18, 1962. Since this would only allow FISHER to appear in Las Vegas for approximately one week, this disturbed DALITZ considerably and upset the hotel show schedule. Although DALITZ was unhappy because of the pressure put on them by the Chicago group, he did agree to go along and do them the favor.

The above negotiations were handled through

vas also involved in the negotiations. This was all done without the prior approval of FISHER or his FRANK SINATRA subsequently went to risher and instructed which he was going to appear in Chicago instead of at the Desert Inn. FINATRA indicated that he would handle the Desert Inn since they do what he tells them. This upset Frank and because they did not feel an entertainer of FISHER stature should be working in I new unknown club. DALITZ sent word to that he had made the promise to GIANCANA and he could not go back on his word. DALITZ indicated he would gladly pay up to \$20,000.00 if he could figure out some way to get out of the deal.

advised in September, 1962, that DALITZ was desirous of selling his interest in the Desert Inn Hotel and get off the hotel license. He reasoned that if he was no longer associated with the hotel in any capacity that "some of the heat" would possibly be taken away from the hotel and they

could operate normally. DALITZ will stay in his present position until such time as personnel can be trained to assume his present duties. He has expressed some concern because he believes the present hotel personnel are not qualified to take over hotel operations. As a consequence, before he does retire he desires to bring in some outside executive help. He desires to protect his partners when he withdraws and wants to make adequate preparations in advance.

In this connection, DALITZ, SAM TUCKER, and other princianl hotel executives are considering inviting to join the organization. and he is a

close associate of the present hotel owners. They plan on offering him a salary of approximately \$50,000.00 a year, plus three points in the Desert Inn. The points will be taken away from those presently held by WILBUR CLARK. Since new men are to be brought into the organization and old employees upgraded, there is to be a general reshuffling of hotel points. Informant learned that GEORGE GORDON of Miami, Florida, who has been a close associate of DALITZ and his partners for many years, definitely has points in the Stardust Hotel which are represented by RUBY KOLOD, Casino Manager at the Desert Inn Hotel. GORDON also possibly has points in the Desert Inn which are represented by KOLOD.

Also a long time associate of DALITZ, has two points in the Desert Inn Hotel which are ignresented by

has two points at the Stardust and is in line for at least one additional point in this hotel. All of the original pit bosses who were at the Stardust when this establishment opened in 1958 were given one point each. None of these individuals are owners of record.

Points, which generally correspond to percentages, are distributed indiscriminately at the Desert Inn and Stardust Hotels without regards to the actual point distribution as it appears on the record and as it has been approved by local gaming authorities. The majority of the major stockholders have partners who are not on the licenses.

advised in early October, 1962, that one point or per cent at the Stardust and/or Desert Inn Hotels in Las Vegas is worth approximately \$15,000 to \$18,000 per year. Since the hotels do not declare a dividend, informant reasoned that this amount is taken "off the top" without accounting for this money for tax purposes. Employees at the hotel who are also stockholders receive a salary in addition to the other remuneration

62

advised in early October, 1962, that apparently once a month money which has been taken "off the top" at the Desert Inn Hotel is distributed arong the various owners of record and others who have an interest in the hotel. Sums in excess of \$100,000.00 are distributed monthly. DALITZ usually receives in excess of \$10,000.00 from each cut. Money is also designated to sources in Chicago during these distributions. Other individuals are also paid from this pool before the regular distribution is made when it is desired there be no record of these payments. This includes payments to entertainers who are in high income tax brackets. These people are frequently paid cash "under the table" in order to induce them to appear at a particular hotel. It also includes occasional payments to public officials.

GENERAL ACTIVITIES

that DALITZ returned from a trip to Europe on September 16, 1962. He was gone from Las Vegas for about ten days and is known by informant to have been in Norway, London, England, and Paris, France. The trip to Norway was to check on the progress of a new yacht he is having constructed in that country.

advised on September 17, 1962, that DALITZ is purchasing the yacht

this will complete the payments.

advised in late September, 1962, that DALITZ and his associates at the Desert Inn Hotel were taking an active part in local and state political activities. They have taken the position they cannot afford to offend anyone and they have or are contributing to the political campaigns of practically all candidates in both parties. Most of these contributions have been made through the Nevada Hotel Association but DALITZ and his associates have also made additional contributions to several candidates they feel are especially friendly towards the hotel and the gambling industry.

LEGITIMATE BUSINESS

advised on September 18, 1962, that DALITZ and his associates are still considering constructing a new hotel and casino in the Reno, Nevada area. They have options on land located about four miles south of the City limits. Tentative plans are to construct a 500 room hotel with an

62 670 670 adjoining 18 hole golf course and an indoor - outdoor swimming pool. They are considering presenting a Lido type French show in the large show room and also have live entertainment in a large cocktail lounge.



FACTOR, landlord of the Stardust Hotel, desires to sell the property and get out of Nevada. To date, however, no one has offered him what he considers a reasonable price.

Plans to expand the Stardust Hotel are still not finalized and the contracts have not been signed by FACTOR and the Desert Inn group. Desert Inn, Inc. is still only paying \$100,000.00 cash per month rental, however, the parties have agreed that the rent shall be raised to \$110,000.00 per month rent, retroactive to January 1, 1962. In exchange for the additional \$10,000.00 rental, FACTOR has agreed to pay Desert Inn, Inc. \$600,000.00, which the Desert Inn has claimed it had coming in connection with the completion of the Stardust Hotel in 1958. The extra \$10,000.00 per month will be credited to Desert Inn, Inc. until the \$600,000.00 is paid off. The rental will subsequently be increased to \$135,000.00 per month when the full \$2,000,000.00 loan is made available by FACTOR to DALITZ and his associates for construction of an addition to the Stardust Hotel. The rental will be increased to \$135,000.00 on a pro rata basis as the money is made available.

FACTOR has continued to have some difficulty with DALITZ and his associates and on several occasions both parties have threatened to back out of the deal involving the expansion plan and the \$2,000,000.00 loan.

62 67C

advised in early October, 1962, that DALITZ and his associates were considering purchasing some property in Beverly Hills. Kentucky. A closed casino is presently on this property.

and long time associate of DALITZ, has worked out a plan whereby the property can be purchased for the mortgage plus the money the present owners have tied up in the property. This amounts to approximately \$400,000.00.

is of the opinion this property can be sold in two or three years for around \$700,000.00 since it is presently appraised at \$1,000,000.00.

advised in early October, 1962, that DALITZ, SAM TUCKER, MORRIS KLEINMAN, and others have an interest in an ice arena in Cleveland, Ohio. This place has been badly mismanaged and is presently losing a considerable amount of money. The arena is rented to a hockey club in Cleveland and

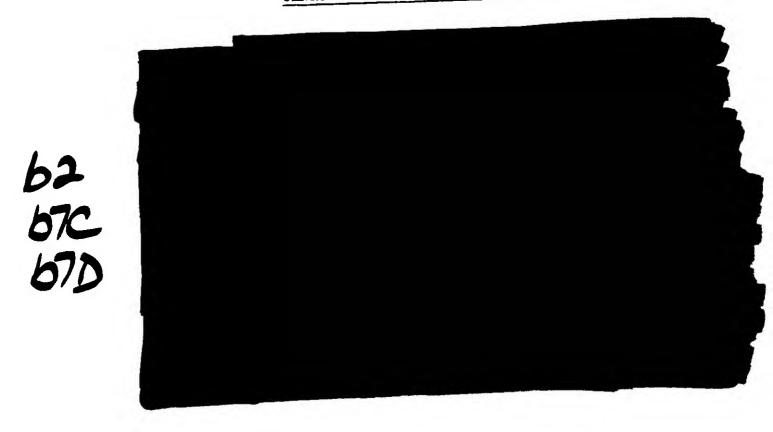
LV 92-461

it is also utilized by the ice capades. The present owners are considering selling this property, which they believe they can do at the present time without losing any of their original investment.

ASSOCIATES

advised in late September, 1962, that nationally-known Detroit hoodlum, has been in Las vegas recently, at which time he was in contact with DALITZ. The contact was reportedly to raise money for a church in Detroit.

CHARACTERIZATION OF INFORMANTS



123 (3-25-66)



In Reply, Please Refer to File No.

UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada October 19, 1962

Title

MORRIS BARNEY DALITZ, aka

Character ANTI-RACKETEERING

Reference Report of SA dated October 19, 1962, at Las Vegas, Nevada.

All sources (except any listed below) used in referenced communication have furnished reliable information in the past.

12

		FBI
		Date: 10/23/62
Transmit th	e following in	PLAIN TEXT
		(Type in plain text or code)
Via	AIRTEL	AIR MAIL (Priority or Method of Mailing)
	TO:	DIRECTOR, FBI (92-3068)
	FROM:	SAC, LAS VEGAS (92-461) (Sub 1)
	SUBJECT:	
		AR OO: LAS VEGAS
		WEEKLY SUMMARY
1		advised on 10/5/62 that on this date
	Nevada,	Las Vegas, California,
12	met at the	ne Desert inh Hotel. They discussed several matters
		eral nature. mentioned that in town and was representing JOHN "JAKE THE BAKBER"
471		n negotiations with DALITZ and his associates
0/6	regarding	the possible purchase of the Stardust Hotel from
	FACTOR.	as in the past, was very critical of advised that he disliked him intensely
	since FA	CTOR lied to nim on one occasion. defended
	FACTOR 2	nd gave FACTOR credit for "bailing uim out" when the
		ne described FACTOR
	as being	a very kind and considerate person and stated he
		in the Stardust Hotel a dividend on their
		d stock. He has no obligation to do this, but he
'1	does it	so they will not lose faith in him. He told
		Information from if utilized, should be
	carefull	y paraphrased in order to further protect the identity
		Bureau authority 1700 REC 91
		7x - 2000 = 341
	3-Bureau 6-Las Ve	(R.M.) gas (1 - 92-707 Desert Inn Hotel)
90		2-461 Sub 1) (1 - 92-640 SAN TUCKER)
	(1 - 9)	2-461)
	(1 -	
	Jac Jac	
Appro	(9) ved:	SentM Per
	. It sie	Agent in Charge

that if would deal with FACTOR out of respect and kindness rather than try to force him into a deal, they would be able to negotiate with each other much more successfully.

Stated he had personally made "several million dollars, since

He considers this the "hottest spot in the country" for making money at the present time. He advised he had made his money through legitimate real estate deals and had never done anything dishonest or cheated anyone.

by the owners of the Desert Inn Hotel to move to Las Vegas and take a position with the organization. The do so because of the unlimited opportunities or this area

at the present time and he feels he has been working too hard in the past and will probably make the change.

observed that if DALITZ pulls out and anything happens to that the hotel under its present management would propably collapse in a week.

was critical of

been thrown away years ago. He said it gave them some ammunition which they now intend to use before the Circuit Court in San Francisco, California.

Informant furnished no pertinent information on 10/6, 10/7, or 10/8/62.

Desert inn Hotel. SAM TUCKER one of the principal owners, and the Desert inn Hotel. They discussed problems they are presently having with IRS Agents. IRS is attempting to secure information regarding IOU's and markers which are incurred in connection with the gambling activities of various individuals at the hotel. IRS has attempted to secure these markers and have traced them through the hotel books to determine if the money, when collected, was actually put back into the company or if the money was "put in the pockets" of the various owners. They cited several hypothetical situations relating to various IOU transactions and decided

57C

.*>

that some of their present procedures would have to be changed in order to satisfy IRS. Mention was made on several occasions that "we have nothing to worry about on this score since we have done nothing wrong". From their conversation it appeared that while it would be difficult to prove from the books that all money collected from IOU's was actually accounted for in the proper manner, that no money had actually been misappropriated by this method,

stated he would meet together with or

them work out a bookkeeping system whereby money secured from IOU's could be properly traced in hotel records.

stated that in connection with their appeal before the circuit Court in San Francisco, that he would probably have to get on the stand and explain various aspects of their business operation. He stated IRS has built up a pretty good case and it is possible the Circuit Court may force them to make available their credit cards to IRS Agents. ROEN stated there is one man on the appeals court from Nevada who will "understand our situation."

Informant furnished no pertinent information on 10/10, 10/11, 10/12, 10/13, 10/14, 10/15, 10/16, or 10/17/62.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

Date: 10/22/62

Trans	mit the following in (Type in plain text or code)
VIA	AIRTEL (Priority or Method of Mailing
	TO : DIRECTOR, FBI (166-194)
	FROM: SAC, NEW YORK (166-50)
bac	SUBJECT: ET AL ITAR-GAMBLING (OO: NIAMI)
	Re Las Vegas airtel to the Bureau captioned "MORRIS BARNEY DALITZ aka, AR, "00: LAS VEGAS, dated 10/9/62.
57	Las Vegas airtel dated 10/9/62. furnished information concerning Ohio, and a close associate of the beserving Group.
47C	20 10/16/62,
670	
	5) - Bureau (166-194)
5 8NOVA	(2 - 92-3068) 2 - Cleveland 1 - Las Vegas (92-461)(Info) 2 - Miami (166-43) 1 - New York (92-1942) NOT RECORDED OCI 26 1962 P62New York (166-50)
	PJB:RM (1.3) Approved: Sent M Per Special Agent in Charge

670 670

has previously revealed that

GEORGE
GORDON, FBI #2/9/52, Burile 92-4142, a resident of Miami
Beach, Florida, who has gambling interests in Las Vegas,
Nevada, and (INU) from NYC, who apparently is superior to
is accountable to him. (INU) has been
identified as peing

P2 P20

It would appear that may be identical to

with G.I.B. Inc., 511 The Euclid Building, Cleveland, Ohio, and that he may be involved in the transfer of funds from illegal gambling operations.

LEADS

CLEVELAND

At Cleveland, Ohio

l. Will determine the nature of business conducted by G.I.B. Inc., 611 The 3101 Euclid Building, Cleveland 15, Ohio.

Property of the

NY 166-50

Airlines if made reservation for travel to New York on 9/20/02, or 9/21/62, via United Airlines.

determine if is identical to who is the accountant for the Desert Inn Group.

IMAIM

At Miami, Florida -

1. Will determine the nature of business conducted by G.I.B. Inc., North Shore Bank, Miami Beach, Florida.

67c

SHOULD BE PARAPHRASED TO FURTHER PROPERTY IDENTITY OF THESE SOURCES

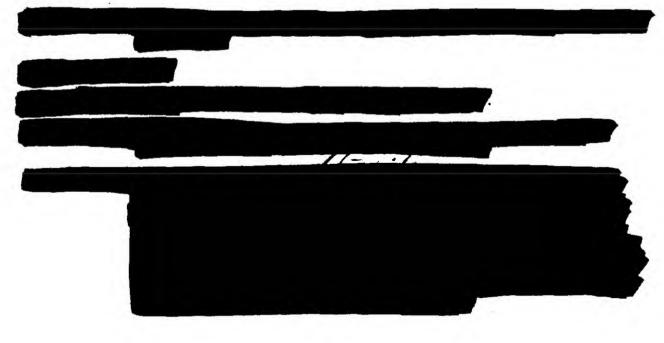
FBI

Date: 10/16/62

1			Date: 10/16/6	B2	
·Teansm	it the followin	g in PLAIN TEXT			
Liunsii	it the lollowin		Type in plain text or code)		
	AIRTEL	AIR MAI	IL.	i	
/ia			(Priority or Method of M	failing)	
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ĺ					
	TO:	DIRECTOR, FBI (92	2-3068)	JUNE	
			20 4633 40-5 3	JUNC	
- {	FROM:	SAC, LAS VEGAS (S	32-461) (Sub 1)		
	SUBJECT:	MORRIS BARNEY DAI	1777 aka		
1	SUBJECT:	AR	LIIZ, ELA		
		OO: LAS VEGAS			
		oo. Das vidas	1/21-		
	1/-	advised	on 10/4/62, that	on this date MORRI	S
1	KLEINMAN	of Hall. Florida,	who is one of t	he principal owners	
. 1	of the D	esert Inn Hotel. La	S Vegas Nevada	met at the hotel	1
	with		an.		10071
بنوارك	~Cleverand	1,	and	ulscussed	
1	with KLE	MENU A ATTI KIRINI	AN was having pro	epared. KLEINMAN	
13	indicated	he desired to lea	ave money to a ch	ildren's orphanage	
		land, Ohio, and als	so desired to lea	ve ₹50,000.00 to	
1	GROBGE GO	ORDON			
6					
1		They have to	nt bank accounts	at the present tim	ie.
/	te does	not have any apprec	ciable amount of	insurance and he	
K	advised	the only property !	ne owns in Las Ve	gas in addition to	
14	his hote	l interest are two	pieces of real e	state located on	
	Paradise	Road in Las Vegas	. He estimated the	heir present value	
	as being	approximately one-	-quarter of a mil	lion dollars.	
1	KLEINHAN	did not indicate	the approximate s	ize of his present	
1	assets, l	however, he did inc	quire of	as to what the	
	approxim	ate tax would be or	\$5,000,000.00.		
		Information from	if uti	lized, should be	
2	carefull	v paraphrased in o		rotect the identity	
30	of this		rmation is not to	be disseminated -	11/10
71		Bureau authority.	*-	(12.5)	ýc † 1 9
7 1 c	23-Bifeau	45		KEU- 41	
		(R.M.) o (Info)(R.M.)	8-Las Vegas	(1 - 92 - 461 Sub 1)	
T.	1-Clevel	and (Info)(R.M.)	\1\frac{1}{1} - 6		
	1-Los An	geles (Info)(R.M.)	(1 - 102 - 1)	U GEORGE GORDON)	
7.6.	- 1-New You	(Info)(R.M.)	S = 160 - 8	MORRIS KLRINWAN)	
	1-18V 10	_	\i -	The second secon	4
1	75		(1 - 92 - 70)	6 Stardust Hotel	3
12	G-asir For	go 19630) (R.M.)		SIX	10
1	BT inc.	472		_M Per	
	NOTO	Special Agent in Charge	. Sent	_ M FEI	,
		phecial whem in outside			1

Informant advised that later in the dev met with subject and Desert Inn Hotel. They discussed with the possibility of him accepting a full-time position at the Desert Inn. (Details regarding this have previously been furnished to the Bureau.) DALITZ advised that he would want him to be on the license at the pesert inn, but not at the Stardust Hotel. He pointed out that while there was little competition in Las Vegas a few years ago, competition at the present time is extreme and the hotel needs the best executives it can secure in order to remain a first-class hotel. DALITZ told they would pay him a salary at the Stardust, and DALTIZ expranned that the reason for that is that "you know my partner at the Stardust doesn't want you on that license. That's why we are doing it this way." DALITZ stated they were thinking about offering him a real good salary, approximating \$50,000.00 a year plus giving him three points at the Desert Inn Hotel. was noncommittal but indicated he was extremely interested in the offer and would make a final decision within the next few weeks.

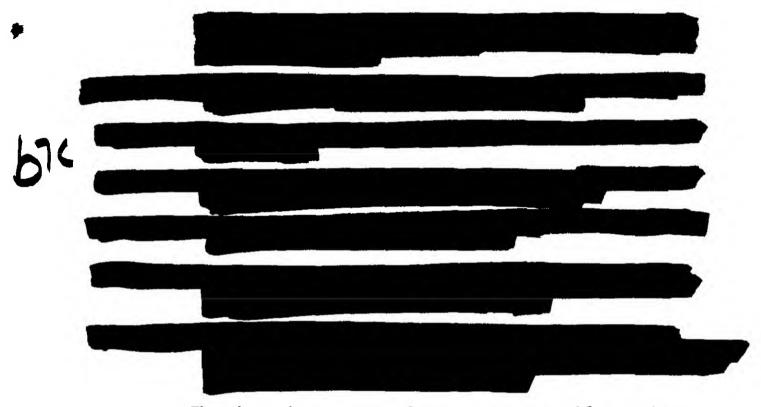
for the hotel, and by SAMUEL TOCKER, one of the principal hotel owners. Following are pertinent portions of their conversation:



, FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

	Page(s) withheld entirely at this location statements, where indicated, explain the	on in the file. One or his deletion.	more of the following		
区	Deletions were made pursuant to the eavailable for release to you.	exemptions indicated be	low with no segregable material		
	Section 552		Section 552a		
	□ (b)(1)	☐ (b)(7)(A)	☐ (d)(5)		
	□ (b)(2)	☐ (b)(7)(B)	☐ (j)(2)		
	□ (b)(3)	(b)(7)(C)	□ (k)(1)		
;	<u> </u>	☐ (b)(7)(D)	☐ (k)(2)		
		□ (b)(7)(E)	\square (k)(3)		
		☐ (b)(7)(F)	\square (k)(4)		
	□ (b)(4)	□ (b)(8)	\square (k)(5)		
	□ (b)(5)	(b)(9)	\square (k)(6)		
	□ (b)(6)		□ (k)(7)		
	Information pertained only to a third request. Information pertained only to a third Documents originated with another Go to that agency(ies) for review and direct that agency information furnished be advised by the FBI as to the releasabi	party. Your name is lovernment agency(ies). ect response to you.	These documents were referred agency(ies). You will be		
	with the other agency(ies). Page(s) withheld for the following rea				
	For your information:				
X	The following number is to be used for HQ 92 - 3068 - / + /				
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)

The above discussion relates to the possible purchase of the Stardust Hotel property, now owned principally by JACK FACTOR, by the Desert Inn group, which now leases the hotel and casino. FACTOR evidently is anxious to sell this property and DALITZ and his associates are apparently also interested in purchasing the Stardust. One possible obstacle is the loan of \$6,000,000.00 to FACTOR by the Teamster's Pension Fund in Chicago. FACTOR has recently borrowed this money for the purpose of constructing an addition to the Stardust and also paying off some of the present hotel creditors. \$2,000,000.00 of the loan is to be turned over to the Desert Inn to finance the construction and as this money is turned over to DALITZ and his associates the monthly rental is to be increased on a pro rata basis until it reaches a maximum of \$135,000.00 per month.

52

While discussing the Teamster loan, made the observation that RICHARD NIXON, Republican candidate for Governor of California, recently constructed a \$150,000.00 home in the Los Angeles area and he secured a \$130,000.00 loan from the Teamster Union to finance the home.

LV 92-461 Sub 1

Later in the day and and met briefly at the hotel, at which time they commented as rollows:

32-37C

advised on 10.5/62 that on this date and individual pelieved to be identical with

advised on 10.5/62 that on this date and individual believed to be identical with parties, and inquired of as to who dreamed up the kimmick thereby and get his money for the Their conversation was as follows:

Discussion then again turned to the possible purchase of the Stardust Hotel by DALITZ and his associates. commented that he had been on a plane with JACK FACTOR earlier in the day and FACTOR had talked to him for one hour.

LV 92-461 Sub 1

meeting.

stated he would get ahold of FACTOR and FACTOR, DALITZ, and would met together later in the day.

From the conversation some difficulty had apparently arisen in connection with the \$6,000,000.00 Teamster loan. The Teamster Fund officials insisted on a "gambling clause" being included in the contract. This apparently provided that in the event gambling was outlawed in the State of Nevada, that the Fund would have the option of foreclosing on the property. The Teamster group also apparently insisted that the Stardust be insured for its full amount, even though they had a mortgage for only \$6,000,000.00.

And the others were opposed to this condition in the contract. In connection with this contacted

for the fund in Chicago, and see if something agreeable could not be worked out. In his telephonic conversation with stated that and JACK FACTOR are in town and they are going to meet with MOF and He stated that sometimes these people can settle things on the basis that lawyers can't and as a consequence he suggested they hold their discussions in abeyance until after the aforementioned

The connection has with the above named individuals is not clear, nowever, it is possible that he is either representing FACTOP in the deal with the Desert Inn

group or he is representing the Teamster's Peusion Fund in Chicago. There is also the possibility that since is a close associate of the Chicago criminal syndicate; that he may have been at the hotel representing this group.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

			FBI			
			Dat	e: 11/7/	62	
Transmit	the following in	PLAIN T	KXT (Type in plair	text or code)		-
Via	AIRTEL	AIR	MAIL			 -
			(Prio.	rity or Method	of Mailing) ——————————	
v^{-}	то :	DIRECTOR, FB			JUN	16)
	FROM :	SAC, LAS VEG	AB (92-46)	l) (P)		_ D
	SUBJECT:	MORRIS BARNE	DALITZ,	aka		
		OO: LAS VEG	AS	-		
		adv	deed on 1	1/2/62 tl	nat on this d	ate
	subject :	The state of the s	me ammant	and	et the	A haparr
	Inn Hote	let with the i l, Las Vegas, nversation:	Nevada.	FOTTOATH	g are portage.	-
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	3-Bureau	(R.M.)	- W	5-Las Ve(1-92-	(1-92-461)	
	3-Detroi	t (R.W.)				
576				(1-92-	707 Desert In	n Hotel)
C F	FRATERO	5 00				7

Sent _

al Agent in Charge

<u>-</u>

DALITZ: Does that include the golf course and all?

67C

DALITZ: hasn't got a chance of getting a license regardless of how clean he is. He doesn't have a chance. I couldn't get a license if I was with that bunch and I don't think he can.

DALITZ: They may get in trouble with this (Obscene) thing.
It may fall off.

DALITZ: -- (Remainder of statement by DALITZ not audible.)

- 2 -

LV 92~461

DALIT7: You see the race track (reference probably to mazel Park race track) has certain rules and if you live up to the rules you get a license. Here if they don't like the way you part your hair, you don't get a license. If we weren't a privileged industry, we

~. ·

could do something about that, but we are you know.

DALITZ: Well I'll say this, we have never been stronger in our influence of these people than at the present time. We have got now (probably a reference to

62 57C 57D



discussed the possibility of constructing a 500 room hotel near Reno, Mevada. It appears the above conversation relates to this matter and the state of the possibly interested in constructing and/or operating such a hotel.

Apparently gave them little encouragement and DALITZ is of the opinion they would never be able to secure a state license. Previous reference has been made to the who has the option on the land near Reno on which the noter is to be constructed. This individual is possibly

The reference by DanITT to the influence he and his associates have over "these people" undoubtedly relates to their influence and control over local and state politicians. It is noted that with a few minor exceptions candidates supported financially by the Desert Inn and the gambling industry were retained or elected to office on November 6, 1962.

Detroit is requested to advise whether is in the Detroit area since it is possible he is staying at a hotel other than the Desert Inn or be may be in Reno, Nevada, where he is discussing the proposed new hotel.

DALITZ SHOULD BE CONSIDERED ARKED AND DANGEROUS,

LY 92-461

DALITZ: We still have one them?

Oh yeah, I believe so. TUCKER:

We'll talk it over with DALITZ:

got?

TUCKER:

only thing I would say that we do for GEORGE (GEORGE GORDON) - we have got to give him another point. Why don't we take the earnings of one point from - - - could have five we obtain that have him the eartings of one point, and make it available to PROLITE - - - to

24

(Phone (it). (May have reference to

associate of aspira Gualor in Miant, Florida.

DALITZ:

Don's you think this would be all right. Nobody could get med. I don't know what to do about GEORGE. Here is a guy who is broke with a 70 foot yacht.

TUCKER: I think we've given bim a certain amount for - -

Well) what do you wilk SAW? Do you see it another DAL ITZ: war - From (There For OD) and GEORGES and

११३ - -

Toulds not nelplay yourself. What will they give in TUCKER:

is building up a little ring within a ring. DAITTZ:

is concerned, he's pretty smart, TUCKER:

NOE. When it comes to maneuvering this deal over hear with FACTOR - -. and the other owners of the Desert Nam have been negotiating to purchase the Stardust Hotel property from JORK "JAKE THE BARBER"

FACTOR.)

Oh (Obscare) he out faked them all. DALITZ:

md all of them.

TUCKER: When it comes to negotiating, he's the greatest."

BEST COPY AVAILABLES

DALITZ:

The purpose of this is not to make burselves - not to give anybody any raises. The purpose is to distribute the responsibility and bring in additional experiences to strengthen our position, because we can't work hard, that's the purpose of it. All right, now if I take two from TOMNY (T. J. MC GIRTY) and three from WILBUR (WILBUR CLARK) and three from our stock and then give three to the five. You I'm going to explain to everybody that GEORGE - - . Then I'm going to take one point of the five and - -

TUCKER:

If you leave five points in the treasury, NOE, will the 95 per cent by figured like a hundred per cent?

DALITZ:

I feel at this time, BAR, and I think you're agreeing with may I don't think we ought to raise anybody.

The remainder of the conversation was outside the presence of informant. The above discussion relates to the reassignment of points in the Desert Int Fotel. Informant has advised that these discussions have been going on for several weeks with the object of realigning the points so that new partners can be brought into the organization.

物

advised on 10/h9/62 that on this date SAN TUCKER telepronneally contabled an individual in Final, Florida, believed to be GEORFE GORDOW. The following is TUCKER's portion of the conversation:

Hi GEORGIE, how you feeling? - SAN GARFIELD called over here and wanted 171, whatever that means. - away and will not be back until Monday. He went to Pall Springs. - is ready to take hold. - What did MORRIS (MORRIS KLEIMAN) say? - No, MOE has a different idea about that. I'm going to try and get out next week and I'll talk to you about them. - Did MORRIS talk to you about (Phonetic)? - He didn't? - Did he speak to (Unknown)? - oh, he's coming in here. I'll have to make a reservation for him. - I'll see you when I get back.

Informant furnished no pertinent information on 10/20, 21, 22, 23, or 24/62.

DALITY SHOULD BE CONSIDERED ARMED AND DANGEROUS.

1 - Mr. Beli. at
1 - Mr. Evans
1 -

The Attorney General

November 13, 1962

Director, FBI

MORRIS BARNEY DALITZ

In connection with our continuing inquiry into hoodlum influence in the Las Vegas area, we have learned that a meeting of executives of the Desert Inn Hotel took place on November 7, 1962. There were approximately twelve individuals in attendance, including Dalita.

the group that similar meetings would be held the first Wednesday of such mouth. He went on to say that no publicity would be given to these meetings and that each would be held at a different location for security reasons.

of owners of record by FBI Agents. He instructed these present that, if contacted, they should respectfully refuse to asswer any questions. He added that this should be done, if possible, without antagonising the Agents. He further stated that, if ewners are subposneed before a Grand Jury or Congressional Committee, they should merely furnish their names only and no additional information.

You will be kept advised of any additional pertisent developments in this regard.

REC 35

9.d - 3068 - 3576 19 NOV 11 1962

FBI

Date:	11/7	/62

PLAIN TEXT Trunsmit the following in _ (Type in plain text or code) AIR MAIL Vig AIRTEL (Priority or Method of Mailing)

TO DIRECTOR, FBI (92-3068)

FROM SAC, LAS VEGAS (92-461) (P)

SUBJECT: MORRIS BARNEY DALITZ, aka

AR

OO: LAS VECAS

WEEKLT SUMMARY

advised on 10/25/62 that on this date

California,

California, Desert Inn Hotel, met at the Dese Inn Hotel. The group continued the discussion of the contenplated purchase of the Stardust Hotel property from JOHN "JAKE THE BARBER" FACTOR. It appears from the conversation that the Desert Inn group intends to purchase the property and that only the details of the transaction are still to be worked out. In addition to taking over the present incumbrances on the hotel property, which will include a loan from the Teamster's Pension Fund in Chicago, the Desert Inn group will pay FACTOR \$4.725,000.00 for his equity. They will pay him \$600,000.00 down payment and amortize the balance over a five year period. The loan from the Teamster's Pension Fund will be used in part to construct an addition to the Stardust Hotel. The original loan as contracted by FACTOR was for \$6,000,000.00. However, if the Desert Inn group purchases the Stardust Hotel, they will attempt to borrow an additional \$1,000,000.00 from the Fund.

Information from if utilized, should be carefully paraphrased in order to further protect the identit of this source. This information is not to be disseminated authority.

Vegas

Bureau (R.M.) 2-min (R.M.)

(1 - SAMUEL TUCKER)

(1 - MORRIS KLEINMAN) 1-Los Angeles (Info) (R.M.)

1-San Diego (Info)

(1 - 92-707 Desert Inn Hotel) - 92-706 Stardust Hotel)

(1 - 92-363 WILBUR GLARE)-

92-040 SAROLL TUCKER)

9 1962

LV 82-461

United Resort Hotels will continue to be the leasing corporation but a new corporation will be established as the Landlord corporation. They contemplate increasing the rental paid by the United Resort Botels to the new corporation in order to build up a larger equity in the property and consequently place them in a better position tax wise.

576

and again met at the Desert Inn Motel. It was pointed out to informat that HES had served a summons on the Desert has solved out to informat that HES had served a summons on the and reports for examination. They agreed they would have to make these papers available. Present, it would be better if they could have them examined in how Angeles rather than has Tegas.

has possession of these papers and suggested than the make the originals available, that he have photo copies made and furnish less with the photo copies.

The group them distursed further the \$6,000,000.00 Loam they will probably secure from the Teamster's Pension Fund in Chicago when they purchase the Standust Hotel from JOHN FACTOR. There are still several small details to be worked out in connection with this loan. The Teamster's Union originally demanded 7 per cent interest, however, the hotel is attempting to secure the money for 61 per cent interest. The Desert Inn group is also attempting to secure an extra million dollars stated he had talked to probably assured him they would probably be able to secure the and | of the same stockholuses in United Resort Motels, which is the leasing corporation, are the same individuals who will comprise the new Desert Corporation, which will be the landlord corporation. He reasoned that possibly this could be worked out satisfactorily wince the various stockholders would have different interests in each of the two corporations. mentioned that another item which should be considered and which may cause some trouble from a tax standpoint is the fact that and other hotel executives are permitted to live at the moter for a very nominal charge of about \$3.00 per day. This entitles them to free telephone service and other services which they secure at the hotel.

Stardust Motels. He stated that he did not consider it advisable

to make a public approvement of this fact.

WILBUR CLARK subsequently entered, at which time individuals present engaged in the following conversation:

CLARK:

Like I told last night, I got a call from Chicago and I'm on the number one list and I'm also on the number two list of 250. I don't know who else is on it, I don't know if MOR and are on it or mot.

CLARK:

List of hood are. I know I was on the list about a week ago. was on it, MOR was on it, and MORRES (ELECTRONIC was on it. They were the only names I saw. They had my address in Las Vegas and the name WILBUR IWER CLARK. I don't know where they got the middle name. I haven't used it for thirty years.

CLARK:

Now this fellow mailled the night before last and got me in San Diego and told me did I hear the bad news. He said he was obecking for me and was going to try and find out as soon as possible why they got me on the list. So K'm not only on the first list, there's forty on the first list, all top hoodlums, and (Obsceme) I'm on that. So I can see now why I never heard from KENNEDY (probably Attorney General BOBERT KENNEDY who was recently in Las Vegas). That must be the reason.

CLARK:

I'm positive of the information. It's the brother. It's the (Phonetic and name not a as on the first list of forty and then there's the second list of 250.

DOWNELLEY: What's the second list?

CLARK:

They are kind of second grade. They are not quite so bad. I didn't see SAN TUCKER and I didn't see TONNY on the list (T. J. MC GINTY).

CLARK then received a telephone call from the thought of local or long distance call). They discussed the MROWN - MIXON gubernatorial race in California. CLARK indicated he wanted to bet \$5,000.00 on either MROWN or MIXON, but as yet he is not cartain on which candidate he desires to bet. He instructed to contact him a day or two before the election and he would make up his mind at that time whether he wanted to bet on MIXON or BROWN. He indicated he is a close friend of both BROWN and MIXON, however, that time is a close friend of both BROWN and MIXON, however, that time the indicates the way he bets. CLARK was warned following the telephone conversation that he should be careful the way he uses the relephone.

CLARK subsequently left the room and the others present were in agreement that non-tone had given CLARK some erroneous information regarding him being on a list of top hoodlune. It is noted that

they have no informative min selling CLARK is on any current hist of Crimical Intelligence subjects.

Informant advised on 17.27.62 that on this date SAM

TITLER, one of the reducible to some of the Desert Inn Hotel,

and sgain met at the hotel. They
discussed certain allegations which have been made against the
hotel by ERS. These charges relate primarily to skimming operations.
In many cases the individuals present spoke simultaneously and
outside the immediate presence of the informant and the full
context of their conversation could not be heard. If additional
details can subsequently be secured from the information furnished
by informant on this date, this will be furnished to the Bureau in
a subsequent detailed communication. Following are portions of
the conversation:



From the above statement by it appears likely that money is not taken off the top in connection with the hotel's IOU's or markers and no customers outside the hotel are involved. It did not say that money was taken off the top during the lifet count in the counting room, but he did indicate that this could not be done once the money had entered the cashier's case and had been made a matter of records.

Informant furnished no pertinent information on 10/28, 29, 30/62.

LY 92-461

Informant advised on 10/31/62 that on this date JOE MOCK met with subject and SAM TUCKER, at which time they engaged in the following conversation. BOCK until recently was Purchasing Agent of the Desert Eab and Stardust Hotels, however, he was retired due to advanced age. He is approximately 82 years of age and has been associated with the principal owners of the Desert Inn Hotel for many years. Informant has previously advised that BOCK has at least one undisclosed point in the Desert Inn Hotel, which is represented by

The second of

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BOCK: I want to talk to you about the and the first thing I want to know is who's going to be his boss.

DALHTZ: I'll tell you. We don't intend for the particle or or as grady to make decisions of major policy.

BOCK: That's wonderful. That's just what I think. Okay that's number one. Now take two. For 14 years - - - boss was

DALITZ: I we had that out with the I. I told him we are not bringing in as an assistant for him.

BOCK: how do we establish that, how do we tell him?

DALETZ: As soon as comes back we will sit down and tell him. Right after the first of the month.

BOCK: We have got to get off on the right foot because he will have access to all our bookkeeping.

DALITZ: Maybe you, JOE, could give him guidance in some departments.

BOCK: This is the best news I have had.

DALITZ: We ought to get WILBUR (CLARK) in here. Is he here?

(DALITZ made a call to the outside office and determined CLARK was not present.)

BOCK: Let's have a preliminary meeting and then call a meeting and tell everyone else.

LY 92-461

DALITZ:

I'll tell you, we are going to bring him in so if something happens to we are not going to be stuck. We can do work. Wet cally that, but has got to take some of show work - so if his case doesn't come out in new York we won't be left with no one to take over. I want to also be a member of the Whited Fund and take part in all civic activities locally and build himself up into a prominent local figure. I want him to be able to go back to Washington, D. C. to City Hall, or to Carson City and to be heard and respected.

BOCK:

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I have a proposition. I would like

Desert Inn Hotel) to be a crutch to

Lookinsping is getting to be the heart of
this business. Last year we did \$40,000,000.00 worth
of business. We pushed this amount through the register
and it actually showed. We paid taxes on it. Now this
needs a lot of attention. I'm here for one purpose. I
want to protect this \$50,000,000.00 worth of business
it took us so long to build.

DALITZ:

You are bolaboring a subject that will come with time. While we are talking about it, SAM, it is up to you and KLEIMA'H to take care of MC GINTY. You're down there - and you can tell him like I did WILBUR. (Probably explain to MC GIRTE that they are taking away some of his points to redistribute to new people they are bringing into the organization.)

In our business, SAMBO, it has always been that no one man takes off boxes by himself. Now I don't want to take off boxes by himself, I don't want to take off boxes by himself. The take off boxes by himself. The take off boxes at all. Insertions what you is that when boxes are taken off, and should be taking off

BOCK:

Very well.

DALITZ:

Is that right JOE?

TECKER:

Now with the He's going to get a salary and a fee out of this. So along comes - let's talk about

pay right here - he's entitled to look it over, right? He asks for it, he looks it over and analyses it.

BOCK:

We have 42 boxes. Now these 42 boxes are all funneled into one bank upstairs - - as far as bank accounts are concerned - - when he knows what receipts are he can see it the next day (?).

The conversation continued and various employees were discussed. BOCK was critical of the activities of and it was also evident handbes not care for the pointed out to BOCK that was to be given respect by the heads of all departments and he wanted all department heads to take orders from the last to have access to everything and DALETZ pointed out, we have no accrete from this gentleman. BOCK also inquired of DALETZ as to whether the would be permitted to act for DALETZ as to whether the would be permitted to act for TOCKER, KLEINAN, or WILBUR CLARK. He stated, "We are going to be here. I got no place to go". DALETZ suggested to BOCK that possibly he could assist him with several of the hotel departments with which BOCK is familiar. The conversation then continues as follows:

DALITZ:

on me, but he says. I'm sure entitled to a piece here. I told him if we give anybody a piece, it's to strengthen our organisation because we are all getting old. We are taking this from ourselves. We have got to be able to compete with our competition. Let MORRIS (KLEIWMAN) give him something. If I had a brother working here I would give it to him myself.

BOCK:

MORRIS gave it to him.

DALITZ:

When?

NOT.

BOCK:

About two years ago. I was there and I know the case.

He gave him a point. He's got a point going.

DALITZ:

I didn't know that.

BOCK :

Yeah, he's got a point going - he probably expects

something from you.

Bist Copy AVAILABLE

LY 92-461

DALITZ: What's his salary? Maybe ne in entitled to a raise.

BOCK: I would like to bring up one more thing about

Do you think he will be interviewed and harassed by

the FBI about what he is doing and everything?

DALITZ: I don't think so. I already told the "G" (the FBI).

They then discussed a title formula and tentatively agreed that he shall have the title of Executive vice President.

It appears that how is somewhat reluctant to furnish certain information to the who BOCK undoubtedly considers to be an outsider. The eract has care of this confidential information was not set forth, however, it possibly relates to skimming operations since there was considerable conversation regarding the removal of drop boxes from the various gambling tables.

has one point in the person and was also which has not been previously known to this office and was also apparently unknown to DALITZ. This gives further credence to the fact that points in the Desert Inn and Stardust Hotels are apparently distributed indiscriminately by the owners of record to various in ividuals both within and without the organization. This is done without the licensing of the various owners as required by Nevada state law.

Informant furnished no pertinent information on 11/1/62.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

FBI

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	TO:	DIRECTOR, FB	I (92–3068)		f
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		OO: LAS VEG	AS .	DATE9/18/91 BY	1565 EDP
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10		The following	r is a summary	of information f	urnished
	by				
		Informant adv	rised on 11/3/	62 that on this d	ate
1				Les Vegas, Nevad	
				ind to be in Acap t he intended to	
	there for	several days	DALITZ also	stated that his ; in Merway would	yacht
	completed	the latter pa	ert of Novembe	r. He is going to	o Norway
	at that t	ime and accomp	any the crew	when they bring the ends to dock it to	he boat
	some time	. DALITZ adv:	ised he is fly	ing to London ear	ly in
İ	December	and would proi	oably go from	there to Norway.	
		Information :	ron .	if utilized, sho	uld be
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DALITZ also advised the informant that at some unspecified time in the future he is going to New Orleans, Louisiana, and from there to Jamaica. This is apparently a social trip and while in New Orleans he will stay at the Roosevelt Hotel. He indicated that several individuals would be making a trip to Topica Bay and that among others he intended to invite SEYMOUR WEISS. (WEISS is believed to be the owner of the Roosevelt Hotel in New Orleans.)

Informant furnished no pertinent information on 11/4, 11/5, or 11/6/62.

Information furnished by informant on 11/7/62 was furnished to the Bureau by airtel dated 11/9/62.

Informant advised on 11/8/62 that
, has moved into the office with DALITZ
at the Desert inn Hotel and will occupy this space jointly
with DALITZ for the time being until other arrangements can
be made.

Informant advised on 11/9/62 that WILBUR CLARK, President of the Desert Inn Hotel, owns large tracts of real estate in Beverly Hills, California and Peno, Nevada in addition to property he owns in the Las Vegas area and other parts of the country. CLARK indicated to informant that his brother wanted him to buy into some oil wells in Oklahoma for \$250,000.00. CLARK reportedly advised his brother that he would be interested in making such an investment if he could buy in for about \$150,000.00.

Informant advised that all of the stockholders and department heads of the Desert Inn and Stardust Hotels, Las Vegas, were invited to a meeting held at the Desert Inn for the purpose of introducing these people to Approximately 55 executives and owners from the two establishments attended this meeting.

Informant furnished no pertinent information on 11/10 or 11/11/62.

Informant advised on 11/12/62 that on this date
DALITZ was in contact with a person believed to be identical
with
associate of DALITZ.
Would probably be subpoensed in a civil action and he would
be required to appear in court in Detroit on the 19th of November.

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DALITZ advised that he certainly did not want to be subposensed since he was going to be out of the country. He stated he would be gone for three or four weeks. DALITZ had originally planned on leaving on 11/15/62, however, after receiving the telephone call from the stated he was going to leave right away before the subposens arrived. He stated he could be reached at the Las Breses. (Phonetic) Hotel, Acapulco, Mexico. The court action in Detroit is in reference to a former partner of the subject's in a supermarket business in Detroit. This former partner has since died and his estate is presently being probated.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

DECODED COPY

// K

Tele, Room Holmes

□ Radio

EXECUTE Teletype

URGÉNT

11-9-62

3:40 PM

JIS

TO DIRECTOR

FROM SAC LAS VEGAS

MORRISSBARNEY DALITZ, , OO LAS VEGAS.

MEETING OF EXECUTIVES OF DESERT INN HOTEL, LAS VEGAS, EVADA HELD 7 INSTANT. APPROXIMATELY 12 INDIVIDUALS

RESENT ENCLUDING SUBJECT

AND HIP NEW STATUS EXPLAINED & DALITZ STATED SIMILAR MEET TO BE HELD FIRST WEDNESDAY OF E ACH MONTH. PUBLICATY TO BE GIVEN TO SUBSEQUENT MEETINGS, AND MEETINGS BE HELD AT DIFFERENT LOCATION EACH TIME FOR SECURITA

DACITZ DISCUSSED RECENT INTERVIEWS OF MINER 125 HE INSTRUCTED THAT ALL PERSONS CONTACTED WOULD RESPECTFULLY REFUSE TO ANSWER ANY QUESTIONS. SHOOLD BE DONE IF POSSIBLE WITHOUT ANTAGONIZING AGENTS. OWNERS ARE SUBPOENAED BEFORE A GRAND JURY OR CONGRESSIONAL COMMITTEE DALITZ INSTRUCTED THEM TO FURNISH THEIR NAME ONLY AND NO OTHER INFORMATIONS 109

REC- 24 DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS

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paraphrased in order to protect the Bureau's

FBI

			Date:	11/9/62	:	
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Via	AIRTEL	AII	RMAIL (Priority)	or Method of Mailing)		•
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	то :	DIRECTOR, FBI	(92-3068)	-Tun	f •	
	FROM:	SAC, LAS VEGA	S (92-461)			
	SUBJECT:	MORRIS BARNEY AR OO: LAS VEGAS				
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DALITZ:

is being brought in as a partner and not as a rubber stamp for any partner. We felt we needed his services to strengthen our organization since many of us have various problems. some of the others have health problems and so on. I can tell you now, that you will find many of us have our faults which you will just have to get used to. for instance is a very cold guy in some respects. The nearest perfect guy in our organization is SAM TUCKER. From the standpoint of honesty, integrity, and so on. he can't be beat. JOE, I want you to enlighten on little matters around the hotel with which you are familiar. One rule, yourself in that spot. This goes all the you never take off a box by yourself. way down the line. I never butt into the counting. I am very happy to be able to get on the stand and say I never counted money from the drop and I don't know anything about it. I could take a lie detector to know these things. test on that. JOE, I want will be spending most of his time here with during the next six months. goes wrong with CAD take over We are planning a big introduction party for on December 22 in the country club.

We grossed 40 million last year. This year we will go over 40 million. Today we are very healthy and wealthy.

DALITZ:

BOCH:

I think you should know, that we have one guy in our organization, and I nope he won't be any trouble. He is a rebell. He is rebellious but he's a good man. (Probably reference to RUBY KOLOD)

The three above individuals were subsequently joined by various other owners and department heads, including the following who were identified as being present by informant: WILBUR CLARK KOLOD.

a general meeting

of the above group was called to order by DALITZ, at which time the following transpired:

DALITZ: We want these meetings to be real informal. We should have had them more often but didn't carry through. From now on we should have these meetings once a month, even if there is nothing real important to talk about. It's good for everybody's morale to get together and shout the breeze if nothing else.

After some discussion it was decided a meeting of the above group would be held once a month on the first Wednesday of every month at 5:00 PM.

DALITZ:

What we'll do fellows so we won't have to talk about it too much, we'll all meet here at 5 PM and then all go somewhere else and have our meeting. This will be the only one we'll have here. We'll meet here and then we tell you where to go. Each time will be a different place. The reason is very obvious. We want the meetings to be very private. There will be no calling but it will be understood it should not be talked about because we may have some things to bring up that are very private and we don't want everyone around the place to know we are holding a regular meeting every month. If you have something that can't wait for a meeting, you fellows know we are always on call.

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This particular meeting we want to make you all officially acquainted with we have asked him to and move to Las Vegas and become our partner.

He has been one of us so this has not been going to the outside for an unknown. This has been going to our own ranks. We are tightening up our organization.

Times are changing rapidly. We are getting headaches from every direction. When I say we, it isn't only we but as a matter of fact it's industry all over the country. There is a wave of general harassment by IRS and the FBI. We have a HANK GREENSPUN

IV 92-461

(managing editor of the Las Vegas Sun) firing at us from every direction. We have suffered a barrage of attacks, but since we have done nothing wrong, we have nothing to fear. I think we have survived the toughest of the ordeal and come out okay. While I'm on the subject, I want to let you fellows know that in this election just past we had very little to decide on. Mr. SAWYER (GRANT SAWYER, Governor of Nevada, and Mr. GRAGSON (ORAN GRAGSON, waswocessful Republican candidate for @overnor) are both real good men. From our mandpoint one would have been as good as another. We now have public officials who understand the industry's problems.

We have got to protect ourselves from being attacked. Not that we want to attack anyone, we just felt that the Sahara Hotel and the Sun were ganging up on us and we had to defend ourselves. We would like to get out of politics. We would just like to make a sizeable donation to each party and tell everybody we have no opinions but we had to defend ourselves against GREENSPUN. (GREENSPUN has repeatedly attacked DALITZ and his associates, and he was the unsuccessful Republican candidate for Governor in the primary elections.) We don't advertise with the Sun now, but even when we did they still abused us.

now and JURIUR CHARK IS President am Vice President Bight with all of our problems

The main thing of this meeting is

Hе

financial interest, however, will be in the Desert Inn.

While I'm talking about status I want to bring you up to date on GEORGE GORDON. He has been a close pal our ours for 25 or 30 years. GEORGE is on the

payroll at the Desert Inn. He is not a stockholder. Informant has previously advised that GORDON has two points at the Stardust Hotel represented by RUBY KOLOD, but no definite information has been received indicating be actually has points at the Desert Inn.) His capacity is customer relations. There is a law about collecting money one state to another and on that where gembling is involved but from our steadpoint it is legal, but even though it is legal, I would rather not designate wEORIE as a collector wall because you are going to be asked questions, fellows. GEORGE is at our beck and call to contact may customer from out of town or any services that he can perform for us that require traveling. GEORGE GORDON is the man that does it. He is definitely customer relations, not public relations. That is what he takes care of and it's a big job and he does a hell of a job as you all know. He earns every nickel he gets.

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will be working with

be a rew months before he can clean everything up

but he will be hem about four days a

week to start. I want everyone to give him complete
confidence and respect.

then responded and expressed his appreciation for the confidence shown him by the owners of the Desert Inn Hotel and he stated he hoped he would be able to work harmoniously with all of those present. DALITZ then continued:

DALITZ:

I told you about GEORGE GORDON. Now one more thing. There's been an order issued by the Department of Justice to interview every man who is on a license in Las Vegas. I don't think they are aiming only at the Desert Inn. They seem to be primarily interested in undisclosed interests. They have listened to all this mishmash from REID (ED REID, columnist for the Las Vegas Sun) and GREENSPUN, also of these national columnists that have been planted by these people here and they believe what they read. They are going to continue to harass us. I think the FBI

GET CITY AVAILABLE

called on everybody here but if they haven't, they probably will. There will be threats of grand juries and of subpoences and you'll be this and you won't be that. Always remember there is nothing we can do to stop a grand jury. There is nothing we can do to stop a subpoena. Since there is nothing we can do about it, there is one thing we can legally do. We can all respectfully refuse to answer any questions.

It is very difficult not to antegonize the government when you fon't comply with requests, but as difficult as it is, you must try to not answer these questions and at the same time not get them mad at you. If you have to get them mad, then jobscene; you have no choice, you can't help it and (obscere) you just tell them your lawyer has instructed you that he does not wish you to answer any questions. Have they contacted overybody here?

There was response from at least two individuals who indicated they had not been interviewed.

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DALITZ: Let's put it this way. Suppose an Agent comes to you and tries to ask you questions. What would you say?

DALITZ: But under your way
he is a member of this firm. I advise

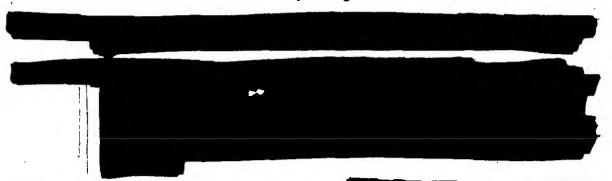
you to go see him.

DALITZ: Yeah. If they ask you who your attorney is, it's just like I told MILTON JAFFE (Executive, Standart Hotel, 'who was recently interviewed by the FEI). I told JAFFE

to tell them that he would contact his attorney and then let them know.

DALITZ:

The main thing is don't get frightened or upset about this thing. Remember when they come to talk to you they have got to inform you of your rights and I think they did. They will inform you of your rights and they will say you don't need to answer this if you don't want to. You have a right to refuse to answer so immediately you say well, that's awfully nice of you. I didn't know that but I maturally sould want to talk to my lawyer first. If you ferlows could like to give me the written questions, I will take them to my lawyer. Otherwise I couldn't answer anything off the cuff at all.



DALITZ:

In other words they go to and say we don't want to talk to you about yourself but I am going to talk to you about JOE BOCH and you got to answer about JOE BOCH. You say I will see my attorney. I don't know nothing about JOE BOCH. If they ask about a customer you say I know nothing about him other than he is a customer. If you want to find out anything else go to the Executive Office. You fellows have that in your mind now. Be diplomatic about it when you talk to these guys. Don't get cocky with them but don't let them (obscene) you.

If it's alright for some of our United States Senators to take the fifth amendment, it's alright for you. Always remember if you feel your rights are being violated, you take the fifth.

It's wrong, fellows, to say in advance you are going to take the fifth but any time you feel your rights are being wichted, here's the way you take the fifth amendment. They git you down in a grand jury and say weat's your name. You to answer. who s your neighbor. Refuse to What's your address. Refuse answer. What's your wife's name. Refuse to answer. What's your great uncle's name. respectfully refuse to answer and then give them the whole bit, you know. Here's the danger of answering one question, one innocent sounding question. When you anst r one you have got to answer them all so don' even answer the first one even if it's what's your grandmother's age. Give your name only. Do t even give your address. Isn't that right,





DALITZ:

Take this from me. You are not going to be admired anyway. They still think what they want to think. They are not in your corner. You are alone. They mean you no good and will (obscene) you if they can. So if they have you before a grand jury, you might as well right there say I'll take my licking. Give your name and stand on your constitutional rights. Do you understand that? But don't let it bother you. None of us are going to be governors

or senators. We are going to be just what we are So let's just live our lives and do it peacefully and don't let these (obscene) upset you.

man Tomas

DALITZ: Go ahead.

BL

At this point he discusses in detail the general expansion program which is presently being andertaken by the Desert Inn Hotel. He advised they are building a ten story addition on the front of the hotel, and in addition to deluxe rooms, it will also include two floors of space for stores. They are hoping to get Saks Fifth Avenue to open a store in the space. Representatives from Saks are coming out this month to look it over. They also anticipate remodeling the lobby and enlarging the casino and bar. The showroom is to be enlarged and when remodeled will seat 600 people for dinner. A modern stage will be one of the best in the country. This will be adaptable both to production type floor shows and also to single acts. Some of the features will be a 22 foot chandelier which will hang from the center of the dining room and there will be openings in the walls where showgirls can make their entrance. They are also putting in a new dining room which will be known as the Jockey Club. They will serve deluxe meals in this room and it will be competitive with the best places in town. The project will cost approximately \$5,000,000. findicated that they had a loan of \$3,000,000 and that arrangements had been made to raise the other \$2,000,000. They hope to have the additional hotel rooms completed by April and the dining room and showroom a few weeks later.

DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

It is noted that during the past few days at the request of the Department, Agents have interviewed all owners of record of the Desert Inn and Stardust Hotels who reside in the Las Vegas area. With the exception of RUBY KOLOD, they were all friendly, however declined to furnish any pertinent information.

OPTIONAL FORM NO. 10 5010-104-01

UNITED STATES 'ERNMENT

1emorandum

: Director, FEI (92-3068)

DATE: 11-27-62

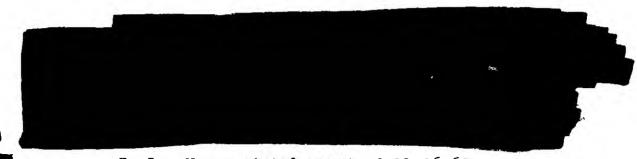
(P) FROM : Legat, Mexico (92-26)

SUBJECT: MORRIS BARNEY DALITZ, aka. HEREIN IS UNCLASSIFIED

ALL INFORMATION CONTAINED

DATE SIGIGI BYINGS

Remylet 9-27-62 and Las Vegas airtel to Eureau 11-13-62 received 11-26-62.



Re Las Vegas airtel received 11-26-62, efforts are being made to determine

LEADS

MEXICO CITY OFFICE

AT ACAPULCO, GUERRERO, MEXICO

Will determine if subject

5 - Eureau

(1 - Liaison Section)

(2 - Las Vegas, 92-461)

1 - Mexico City

JEG: kg (6)

2-3068-351

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LAS VEGAS DIVISION

AT LAS VEGAS, NEVADA

Will follow and report activities of subject.

Additional leads have previously been set out to individual offices by separate communications.

UN LED STATES DEPARTMENT OF SUSTICE FEDERAL BUREAU OF INVESTIGATION

Copy to:

bic

Report of:

11/26/62

Office: Las Vegas

Field Office File No.: 92-461

Bureau File No.: 92-3068

Title:

MORRIS BARNEY DALITZ

Character:

ANTI-RACKETEERING

Synopsis: DALITZ and associates claim they have accounted properly for IOU's and markers collected by the Desert Inn Hotel. They are interested in constructing new hotel in Reno, Nevada. Subject instructed all officials of the Desert Inn and Stardust Hotels to answer no questions if interviewed or called before a Federal Grand Jury. Owners of the Desert Inn are bringing

676

given three points of the Desert inn. This necessitated reshuffling present hotel points. GEORGE GORDON identified as collector for the Desert Inn. This hotel presently has large expansion program underway.

This hotel presently has large expansion program underway.

The Desert Inn. This hotel presently has large expansion program underway.

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The Desert Inn. This necessitated reshuffling present in the Desert Inn. This necessitated reshuffling present in the Desert Inn. This necessitated reshuffling present in the Desert Inn. This necessitated reshuffling present in the Desert Inn. This necessitated reshuffling present Inn. This necessitated reshuffl

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DETAILS:

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TRAVEL

advised that DALITZ left Las Vegas on November 13, 1962, for Acapulco, Mexico, where he expects to remain for two or three weeks. In early December he anticipates traveling to London, England, and later to Norway where he will pick up his yacht, which is presently being constructed in that country. He is going to bring the boat to the Mediterranean where it will remain for one and one half to two years.

BUSINESS ACTIVITIES

Desert Inn Hotel

advised DALITZ and the other principal owners of the Desert Inn Hotel, Las Vegas, Nevada, are reshuffling the points owned by the various owners to make room for

which corresponds to percentage points, and in addition he will be paid a salary.

62 67c To secure the points the owners anticipate taking three points from WILBUR CLARK, President of the Desert Inn Hotel, two points from T. J. MC GINTY of Miami, Florida, one of the principal owners, and three points from the stock held by DALITZ, SAMUEL TUCKER, and possibly MORRIS KLEINMAN. TUCKER and KLEINMAN also reside in Miami and are principal stockholders of the Desert Inn. The five points which will remain after giving three points will be held as treasury stock to be distributed later to additional personnel they may subsequently bring into the organization. The owners also tentatively agreed to take the earnings of one point from and give the proceeds of this point to GEORGE GONDON.

at the hotel and is not an owner of record of the Desert Inn Hotel.

advised in November, 1962, that

arrangement he was permitted to purchase three points of Desert Inn stock for \$350.00 per point.

making formal application to the Nevada Gaming Control Board and being officially placed on the hotel license. His duties for the time being will be to work closely with Executive Secretary of the Desert Inn.

will be in a position to take over his responsibilities.

advised in November, 1962, that GEORGE GORDON has been a close associate of DALITZ and the other owners of the Desert Inn Hotel for 25 or 30 years. He is on the payroll of the Desert Inn Hotel as a collector. His official title is "Customer Relations" and he has the responsibility to contact

any customer residing outside the State of Nevada for the purpose of collecting IOU's, markers, or for other purposes.

advised in November, 1962, that the Desert Inn Hotel currently has an extensive expansion program underway. One hundred additional deluxe rooms are to be constructed, the show room is to be enlarged and remodeled, the casino is to be expanded, and two new dining rooms are to be constructed. The cost of this program will be approximately \$5,000,000.00. \$3,000,000.00 has been borrowed by the hotel officials from an insurance company in Texas and arrangements have also been made to borrow the additional \$2,000,000.00 from a source unknown to informant.

b2 67/

Stardust Hotel

advised in October, 1962, that a GEORGE GORDON and is one undisclosed owner points in the Stardust Hotel. The points owned by are represented on the record by RUBY KOLOD, Casino Manager at the Desert Inn Hotel, who is the owner of record of points in both the Desert Inn and the Stardust Hotels.

The Cleveland Office advised that

GEORGE GORDON and was a joint owner with him or sambling clubs which operated in Newport, Kentucky. was interviewed by Bureau Agents in Cleveland on June 25, 1962, at which time he advised he has no gambling interests in Las Vegas, Nevada or elsewhere.

advised that DALITZ and his associates are still considering purchasing the Stardust Hotel from JOHN "JAKE THE BARBER" PACTOR. Most of the negotiations for the Desert Inn have been handled by has represented FACTOR in some of the discussions. It appears now the Desert Inn group will purchase the property, however, it is still in a negotiating stage.

GENERAL ACTIVITIES

advised that Desert Inn officials have expressed some concern over efforts by Internal Revenue agents to secure access to hotel credit cards and related information.

However, they have indicated to informant that they have no serious problems with IOU's and markers since they have done nothing wrong in handling these matters. The money collected has been accounted for as hotel proceeds, but in some cases it would be difficult to prove from the books that all the money collected was actually accounted for in the proper manner.

62 67C advised in November, 1962, that DALITZ and his associates continue to be interested in the possible construction of a new hotel in the Reno, Nevada area. However, they have taken no further specific action in finalizing a deal. DALITZ and have been contacted by individuals believed to be and others from the Detroit area who have expressed an interest in constructing a similar hotel in Reno. and associates have been connected with criminal activities in the Detroit area. In discouraged them from pursuing the matter further and DALITZ concurred that and the others could never secure a gambling license in the State of Nevada because of their backgrounds and associates.

advised in November, 1962, that all the owners of record of the Desert Inn and Stardust Hotels have recently been interviewed by FBI Agents. DALITZ has instructed them that if they are subsequently questioned by Agents they are to decline to answer any questions. In the event they are called to testify before a Federal Grand Jury or a Congressional Committee, they are to furnish their name only and furnish no other information whatsoever.

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Date _	11/8/62	
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MURRIC BARNEY DALITZ, was interviewed on October 30.

1962, at the Desert Inn Hotel, Las Vegas, Nevada.

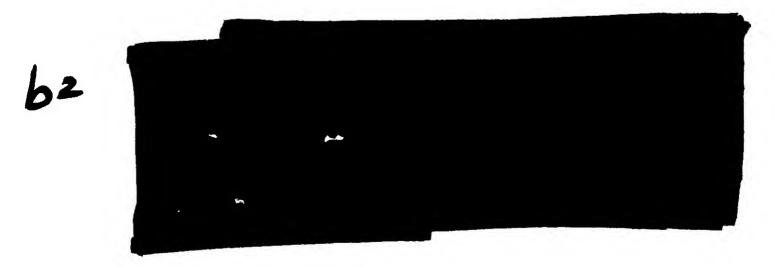
DALITZ was advised that the Department of Justice desired that he be interviewed and asked certain questions relative to his ownership of record in the Desert Inn and Stardust Hotels.

DALITZ was advised that he did not have to answer any questions, that he had a right to consult an attorney, and that any statements he made might be used in a court of law.

DALITZ stated he would not answer any questions that he did not desire to even hear the questions, and that if he was subpoenaed before a Federal Grand Jury, he would not answer any questions concerning his ownership in these two hotels

DAI ITZ exhibited a pleasant attitude and conversed freely on subjects such as the weather, tourist trade in Las Vegas and other non-pertinent subjects

CHARACTERIZATION OF INFORMANTS





UPAL ED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada

November 26, 1962

Title

MORRIS BARNEY DALITZ, aka

67C

Character

ANTI-RACKETEERING

Reference

Report of SA

dated November 26, 1962, at Las Vegas, Nevada.

All sources (except any listed below) used in referenced communication have furnished reliable information in the past.